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Negotiations in Groznyy

Further on Khasbulatov's Proposed Chechen Role

LD0809200595 Moscow INTERFAX in English 1949 GMT 8 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 8 (INTERFAX) — The former chairman of the Russian Supreme Soviet, Ruslan Khasbulatov, has responded favorably to a presidential proposal to join settlement efforts in Chechnya.

Russian President Boris Yeltsin told a news conference in Moscow Friday that Ruslan Khasbulatov "should not be written off if he has some real weight in Chechnya's society."

Khasbulatov told INTERFAX that he expected "concrete steps from the federal authorities" in the wake of the presidential statement.

Khasbulatov said he should talk to high-ranking officials before going to Chechnya.

The former parliamentary chairman said he would like to speak to the presidential representative to Chechnya, Oleg Lobov.

At the same time, Khasbulatov said he was "a side that should wait." He added he was meeting people from Chechnya.

Khasbulatov said he will "clarify the political future of the so-called national revival government and its head, Salambek Khadzhiyev," from his meetings with federal officials.

According to Khasbulatov, Khadzhiyev "even dares to interfere in the sphere of property." He said Khadzhiyev's attempts to re-distribute property in Chechnya could result only in a civil war. "Even the Soviet power could not destroy land ownership in this republic; everyone knew who the land belongs to. There are owners there who have owned land since the XIV century. Who is Khadzhiyev who all of a sudden has decided to change it all?" he asked rhetorically.

Khasbulatov is categorically opposed to the Khadzhiyev government's attempts to sign oil contracts, saying these documents are legally void.

Khadzhiyev On Private Land Ownership

LD0809204595 Moscow INTERFAX in English 1846 GMT 8 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 8 (INTERFAX) — Salambek Khadzhiyev, head of the Chechen National Rebirth Government, believes that carnage will be unleashed in Chechnya if "the notion of private land ownership gets into the republic." He spoke Friday with Agrarian Party of Russia leader Mikhail Lapshin touring North Caucasus.

Ingush President Ruslan Aushev, who also took part in the meeting with Lapshin, agreed that "private ownership of ploughed field smells of a bloodbath."

Lapshin also opposed holding a referendum on private land ownership in Chechnya, saying that first of all Chechen residents must be "provided with everything necessary."

Disarmament Timetable Discussed in Groznyy

LD1109085995 Moscow ITAR-TASS in English 0830 GMT 11 Sep 95

[By Sharip Asuyev and Valentin Pavlov]

[FBIS Transcribed Text] GROZNYY September 11 (ITAR-TASS) — Monday's consultations in Groznyy between Federal representatives and the Chechen side dealt with mutual coordination and dovetailing of a militants' disarmament time-table, plans for a pullout and a subsequent stage-by-stage withdrawal of Federal forces from Chechnya.

At a Special Supervisory Commission (SSC) meeting, which continued for only about half an hour on Monday morning, Anatoliy Romanov, Commander of the Federal Group, and Aslan Maskhadov, Chief of the Chechen Main Headquarters, managed to get agreement on a number of working problems, for example, Directions for Checkpoint Pass Arrangements for SSC members from the Chechen side. They also decided to give a boost to the SSC work in rural areas to disarm Chechen formations, Ivan Yesyutin, Chief of the Press Service of the Combined Command, has told ITAR-TASS.

Immediately after the SCC meeting ended, Romanov and Maskhadov headed for a meeting with Vyacheslav Mikhaylov, leader of the Russian Government delegation at the talks on a peaceful settlement of the crisis in Chechnya. This meeting is also expected to be short, since Oleg Lobov, Russian President's Plenipotentiary Representative in Chechnya, is due to confer with the both Co- Chairmen of the SCC at about 14.00.

A timetable for the disarmament of militants, and a plans for pullout and subsequent withdrawal of Federal forces from Chechnya are expected to be finally agreed upon either on Monday or Tuesday. A disarmament time-table has already been presented by the Chechen side while a pullout plan is in the works, military sources have told ITAR-TASS.

Dates Agreed On

LD1009162795 Moscow NTV in Russian
1500 GMT 10 Sep 95

[From the "Segodnya" newscast]

[FBIS Translated Text] The timetable for the disarmament of Dudayev's armed formations was determined at today's sitting in Chechnya of the Special Supervisory Commission. Disarmament of Dudayev's detachments begins on 10 September in Sunzhen district and will continue until the 20th, in Vedeno district until 23 September, Urus-Martan district until 24 September, Groznenskiy district up to 30 September, and Nozhay-Yurt district until 1 October. From 11 to 24 September, Achkhoy-Martan will be disarmed. Surrender of weapons in Shelkovskiy, Nadterechnyy, Gudermes Naurskiy, Shalin, and Shatoyskiy districts will begin on 15 September. Disarmament in the town of Groznyy will take place 15-26 September, and in the town of Argun from 30 September to 2 October. So, according to the timetable, disarmament should be completed first in Sunzhen District while the last village to complete disarmament will be Ulus-Kert, Shatoyskiy district.

On completion of the surrender of weapons in every village or town, representatives of both sides in the commission will sign a document that will show the number of inhabitants of the village and the quantity of small arms and heavy weapons handed in. INTERFAX reported this. [video shows map of Chechnya's districts]

Surrender of All Arms by 6 Oct

LD1009152595 Moscow ITAR-TASS in English
1513 GMT 10 Sep 95

[By Sharip Asuyev and Valentin Pavlov]

[FBIS Transcribed Text] GROZNYY, September 10 (ITAR-TASS) — The Special Observer Commission fixed October 6 as the deadline for the surrender of arms by Chechen militants in all villages and the cities of Groznyy and Argun.

The Special Observer Commission (SOC) set up to oversee the implementation of the July 30 military agreement between Russia and Chechnya did not specify the amount of weapons to be handed over to the Russian side.

The commission will meet again on Monday to discuss the withdrawal of Russian troops from Chechnya. A unit of border guards left Groznyy today.

Russia began the pull-out on Saturday in the village of Assinovskaya, 40 kilometres west of Groznyy.

Under an agreement with the Chechen side, Russia will withdraw the Interior Ministry's brigade and regiment, and several other units to their bases within the next few days, the press centre of Russian troops in Chechnya told ITAR-TASS.

The division staff and the remainder of the units will leave on September 12.

The withdrawal is part of the July 30 military agreement between Russia and Chechnya which calls for a gradual pull-out of Russian troops coordinated with the surrender of arms by Chechen militants.

SOC Russian members promised their Chechen counterparts to provide a troop withdrawal schedule within the next two days, saying that Saturday's pull-out was the beginning.

Another stage of disarmament in Chechnya is due to begin near the mountain village of Tangi-Chu on September 11.

In an interview with ITAR-TASS, SOC members said there was a thaw between the Russian and Chechen sides, which has a positive effect on the commission's activity.

Negotiations on political issues, with a focus on Chechnya's constitutional status, are to begin after the military agreement has been fulfilled. No specific date of political talks has been set so far.

40-50,000 Weapons Still To Be Surrendered

LD0909191595 Moscow INTERFAX in English
1654 GMT 9 Sep 95

[FBIS Transcribed Text] GROZNYY, Sept 9 (INTERFAX) — Disarmament process in Chechnya is at least counter-productive, because illegal armed formations have been trying to legalize themselves as self-defence units in communities, Deputy Secretary of Russia's Security Council Valeriy Manilov has said.

Manilov believes that an estimated 40,000 to 50,000 pieces of firearms are to be handed in by illegal armed formations under the military package of settlement agreements.

Manilov said that to ensure that the firearms should be laid down the agreement on the military package of issues must be given the status of a law that would establish the unambiguous interpretation of the disarmament mechanism and the formation of self-defence units.

"There should be either a resolution by the Russian government or an instruction from the Russian presidential envoy to Chechnya," Manilov said.

He also said that during the current and future visits to Chechnya presidential Envoy Oleg Lobov would visit all districts, including those controlled by Dudayev's supporters. He would meet with local residents to hear their opinions.

Volskiy: Three Months To Disarm Illegal Formations

LD0909185795 Moscow INTERFAX in English 1654 GMT 9 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 9 (INTERFAX) — It will take at least three months for the disarmament of the illegal formations in Chechnya, believes deputy Russian chief negotiator at the talks with the Dudayev side, Arkadiy Volskiy.

In an interview with INTERFAX in Moscow on Saturday, he said that he spoke about this period from the very beginning, not about two months, on which Russian Interior Minister Anatoly Kulikov insisted.

Volskiy explained slower pace of the disarmament by the fact that the chief of staff of the Dudayev formations Aslan Maskhadov controls only 60% of the armed formations operating in Chechnya.

Among those outside control he called "the so-called "Islamic battalions" or "kamikaze fighters", as well as all sorts "single fighters".

Nevertheless, Volskiy does not doubt that the disarmament process will be completed, of which, he believes, indicative is the fact that militants and population have handed in to the federal forces around 1200 pieces of fire arms.

Federal Troops Withdraw From Chechnya

LD0909130595 Moscow ITAR-TASS in English 1255 GMT 9 Sep 95

[By Sharip Asuyev and Valentin Pavlov]

[FBIS Transcribed Text] GROZNYY, September 9 (ITAR-TASS) — Federal troops are pulling out today from Assinovskaya, 40 kilometres west of Groznyy.

A Russian Interior Ministry brigade and other units are to be withdrawn to their sites of permanent stationing in a few days, the press centre of federal troops in Chechnya told ITAR-TASS.

The Interior Ministry operational division and its units stationed in Chechnya are to quit on September 12.

These moves are part of the July 30 military accord which envisions gradual withdrawal of federal troops in parallel with surrender of arms by Chechen rebels.

The special observer commission on the implementation of the military agreement meets in Groznyy today to approve a schedule for disarmament of Chechen fighters.

Russian members of the commission promised to Chechen counterparts to provide a troop withdrawal schedule within the two days, today's farewell to Assinovskaya being a start.

Another phase of rebel disarmament is due to start near the mountain village of Tangi-Chu on October 11.

In an interview with ITAR-TASS commission members said there was a thaw between the Russian and Chechen sides, with benefit to the commission's efforts.

Negotiations on political issues, with a focus on Chechnya's constitutional status, are to be started after the military accord has been enacted.

No specific date of political talks has been set so far.

Border Troops Withdraw From Groznyy

LD1009103795 Moscow ITAR-TASS in English 0950 GMT 10 Sep 95

[By Nikolay Styazhkin]

[FBIS Transcribed Text] STAVROPOL, September 10 (ITAR-TASS) — The Russian border detachment has been withdrawn from the Chechen capital Groznyy under the July 30 military agreement.

The detachment has been moved into Chechnya-neighbouring Dagestan to reinforce its border with Georgia, ITAR-TASS was told today in the Stavropol-based headquarters of the Caucasian military border district.

Border guards have been transported from Chechnya by the border air force.

The detachment's property, food and fuel have been brought to the new deployment site by 40 armoured vehicles.

Chechens Continue To Search for Prisoners

LD0909190395 Moscow INTERFAX in English 1654 GMT 9 Sep 95

[FBIS Transcribed Text] GROZNYY, Sept 9 (INTERFAX) — The Special Commission of Observers [SCO] has found out about the fate of over 100 of the 1,438 people whom Dzhokhar Dudayev supporters believe missing, according to the list they earlier submitted to the SCO.

Many of the people are dead, and their bodies have been found, while some are alive, Isa Madayev, the Chechen co-chairman of the sub-commission on detainees, told journalists after an SCO meeting in Groznyy Saturday.

Members of the sub-commission are currently looking for Chechens in Nalchik, Pyatigorsk and Stavropol custodies, said Madayev. He expressed the belief that after the search finishes "both sides will be prepared to exchange 'all for all'."

Madayev said that 14 Russian soldiers are held in a detention center organized by pro-Dudayev militants in the village of Chiri-Yurt (40 kilometers from Groznyy). Other federal troops soldiers live in Chechen families and enjoy freedom of movement and regular food supply, he said.

However, Madayev would not specify the total number of Russian soldiers held by Chechens.

He said that Dudayev supporters had handed on border guard to the Russian side. However, he is not one of the five border guards who went missing after a fight between a Russian border troops unit and Chechen militants on the border with Dagestan. "Information about their fate is available and the Russian side has it," said Madayev.

Reportage on Groznyy Rally Following Youth's Death

Order Restored After Rally

LD0809134295 Moscow Radiostantsiya Ekho Moskvy in Russian 1200 GMT 8 Sep 95

[FBIS Translated Text] The situation in Groznyy was tense today after an incident at noon.

[Correspondent Vadim Granin] A 14-year old boy was shot dead in obscure circumstances. The teenager earned money by taking pictures with a Polaroid camera near the Presidential Palace. Inhabitants of Groznyy claim the boy was killed. However, Colonel Ponomarev, the deputy commandant of Groznyy, told a Moscow Ekho correspondent that the boy is alive and is undergoing a surgical operation at the city hospital number nine.

Some 2,000 people gathered at a rally near the Presidential Palace. Aslan Maskhadov was there and the people calmed down. However, several hundred people marched through the city to the building of the Government of National Rebirth of Chechnya. Another rally was staged there at 1400 and the same slogans were heard — that is, Allah Akbar; Dzhokhar Dudayev is the only president of Chechnya; and, The Chechen state. Troops and police were brought in. They sealed off the rally. At 1430 precisely, a police colonel asked the crowd to break up and warned that he would use force. The rally thinned out, but did not break up. At 1445 precisely, a convoy of armored vehicles arrived and several subunits of troops in heavy combat fatigues broke up the rally. There were no excesses. Several people were arrested, the rally was broken up. Order near the government building was restored at 1515.

Vadim Granin, Moscow Ekho, from Groznyy.

Russian Commando Accused of Shooting

LD0909102495 Moscow ITAR-TASS in English 1016 GMT 9 Sep 95

[By Sharip Asuyev and Valentin Pavlov]

[FBIS Transcribed Excerpt] GROZNYY, September 9 (ITAR-TASS) — A Russian commando was arrested on suspicion of killing a Groznyy resident, which took place as a result of careless handling of a firearm. Investigation is underway, and a criminal case was instituted against him, ITAR-TASS learnt from Vladimir Shumov, deputy head of federal executive authorities in Chechnya, here on Saturday.

Groznyy resident Saurbek Uzuyev, 17, was shot and killed with a submachine-gun in downtown Groznyy on the bridge across the Sunzha river at Friday noon. This happened in the area of check point No. 7 of federal forces.

The crew of an armoured infantry carrier which was on duty at the check point, is not involved in the tragic event, Shumov noted. This was found out during an investigation carried out by the military prosecutor's office. [passage omitted]

Investigation Group Created

LD1009150395 Moscow INTERFAX in English 1343 GMT 10 Sep 95

[FBIS Transcribed Text] GROZNYY, Sept 10 (INTERFAX) — The special observer commission for the implementation of the Russian-Chechen military agreement decided Saturday to create a group of investigators from representatives of the Russian and Dudayev sides at talks in Groznyy, the interior minister in the Dudayev government, Kazbek Makhashev, told INTERFAX Saturday.

Makhashev said the group of investigators would have access to all documents concerning crimes committed by Russian servicemen in Chechnya.

Makhashev said such a decision had been made after the murder of Zaurbek Uzuyev, 17 years old, in the center of Groznyy Friday in the afternoon.

The Chechen young man was shot dead by a Russian OMON [Special Purpose Militia Detachment] officer by accident.

First Deputy Director of the Federal Executive Power Territorial Department in Chechnya Vladimir Zorin said the accident had not triggered off massive disorder "largely due to the decisive actions of Makhashev and Deputy Director of the Federal Executive Power Territorial Department, Lieutenant-General Vladimir Shumov who immediately came to the scene of the accident."

Dudayev Interviewed, Vows To Continue Cause

LD1009232295

[FBIS Editorial Report] Moscow NTV in Russian at 1700 GMT on 10 September in its "Itogi" program carries a six-minute video report by correspondent Alim Yusupov on independence day celebrations in Chechnya on 6 September. The report contains brief "excerpts" of an interview with Chechen opposition leader Dzhokhar Dudayev by ASSOCIATED PRESS. The place and date of the interview is not given. Reception is good.

Yusupov begins by contrasting this year's Chechen independence day celebrations on 6 September with the events that led to Chechnya's declaration of independence in 1991. Video shows 1991 footage of the seizure of the Chechen-Ingush parliament and administrative buildings by Dudayev supporters, including Shamil Basayev.

Yusupov goes on to report: "This week Dudayev, hiding as before in the Chechen mountains, gave an interview to the ASSOCIATED PRESS TV [as heard] agency. Perhaps the most curious thing in this speech is that he says he in no way agrees with what is said at the talks and consultations under way at present in Groznyy."

A clip from the interview is then shown. Dudayev is dressed in an uniform and seated at a desk with a large Chechen flag behind him. He says: "We have one way left for us, the way of war, and we are becoming professionals. The Chechen people, from a small people to a great one, are now already professional fighters. Our profession is to wage war. Well, that is the way it is. It suits us better to wage war than to rebuild what they destroyed, plough the land, pick at the ruins, put up with their sabotage and their terrorism, their provocations, their lies, and their violence. We will carry on the cause until the end and meet in Moscow. We have nothing left to lose."

Yusupov then comments: "Such words lead to one of two assumptions: Either the rebellious president, in isolation, has lost a grip on reality and control of the situation; or the peace talks in Groznyy are little more than a game and Dudayev does not even think it necessary to hide this. In the interview Dudayev says that if Moscow hates him so much then he is ready not to participate in the elections at all. Such magnanimity is suspicious only at the first glance."

The report concludes with another clip of the interview, with Dudayev adding: "Well, let it be. I will be more dangerous when I leave this post, when I am free in my actions."

Issues Marriage, Other Decrees

LD1009202395

[FBIS Editorial Report] Moscow NTV in Russian at 1700 GMT on 10 September, broadcast during the "Itogi" program a three and one-half minute video report by correspondent Yelena Masyuk from Chechnya.

Masyuk begins her report by saying: "While relative calm militarily speaking continues in Chechnya, Dzhokhar Dudayev has decided to issue a decree that all the military over the age of 17 should marry. The president explained that the Republic of Ichkeria needs new soldiers." The video shows some prospective husbands.

Meanwhile, almost every day a child is killed by a landmine in Chechnya, Masyuk continues. One child told the television how he had seen someone killed by a mine. "The life of this 11-year-old boy was cut short two hours after filming," Masyuk says. "He was blown up by a mine too."

In a wide-ranging report, Masyuk says that another Dudayev decree remained in force setting incentives for the killing of Russian troops and destruction of hardware. She reports: "These are the bonus figures: $50 for every soldier killed; $200 for a general; and $2,000 for a plane shot down."

On Independence Day, 6 September, Dudayev issued a decree conferring the title "fortress" on certain towns and villages, including the village of Alleroy, Masyuk says.

She goes on to report that fighting broke out in another village, Kurchaloy, on 5 September, when federal troops tried to set up a new post nearby. "On the following day Khunkar Israilov, the commander of the Chechen southeastern front, reached agreement with the division commanders that the post near Kurchaloy would be a joint one. But on 7 September, the post disappeared completely as though it had never existed. But 11 new civilian graves recall the events of 5 September."

Israilov tells the correspondent: "I do not trust the Russian Army today because I fear that tomorrow the decree could be issued — Advance!"

Masyuk comments: "This is why the commander of the largest Chechen front, which stretches 89 km, continues to maintain his positions along the front line and to follow the movements of Russian troops." The video shows the fighting in Kurchaloy.

Imayev on Dudayev, Negotiations, Reasons for War

MK0909132095 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 9 Sep 95 pp 1, 4

[Interview with Usman Imayev, former Chechen general prosecutor and former head of the Chechen delegation to the Groznyy talks, by Yuliya Kalinina: "Dudayevites Nudged Each Other With Their Feet During Talks with Moscow. Usman Imayev Preparing To Become a Mullah" — place and date not specified; first three paragraphs are MOSKOVSKIY KOMSOMOLETS introduction]

[FBIS Translated Excerpt] The former head of the Chechen delegation engaged in talks with Moscow was dismissed from his post on the day the delegations signed an agreement on a package of military questions. Usman Imayev ceased being the delegation head right after the peace accord was signed. Peace remains, Imayev is gone.

Members of the Russian delegation hold Imayev in a surprisingly high esteem. Vladimir Zorin, first deputy chief of the territorial administration, for instance, called Imayev the "Chechen Vitte" [Russian statesman who signed the 1905 Portsmouth Peace Treaty], suggesting that "his name will go down in Chechen history."

The former head of the "historic" delegation has resigned from his other posts of justice minister and general prosecutor of the Republic of Ichkeria [Chechen name of Chechnya] and has become, as he himself says, "a private in a self-defense detachment." He is being too modest, of course; he is not one of the enlisted men. Usman has indeed returned, together with his detachment, to his native village of Kulary, which is a 30-minute drive from Groznyy. The detachment is doing what it is supposed to do under the military accord, namely, seeing to it that order is maintained in the village "in constant readiness for self-defense." [passage omitted]

[Kalinina] Usman, what really occurred between you and Dudayev after the peace accord was signed?

[Imayev] There was a meeting of our Security Council. The president harshly criticized me, then I had a nine-hour conversation with him. I believe that there can be no more fighting. Our people have shown what they are capable of. Now it is necessary to save those who still remain. Dudayev does not think so; apparently, he needs to exterminate everybody. But the agreement was signed after all. For me, the most important thing is that the sides "renounce the use of force to resolve contentious matters."

[Kalinina] The talks dragged on for so long; they were so many times on the verge of collapse. Who was the most intransigent?

[Imayev] Everyone there was difficult to deal with. Frankly speaking, I got terribly tired. The main problem was that I could not be certain of any member of our delegation. We even agreed that if anyone started saying something wrong I would nudge him with my foot under the table. Well, I am nudging Idigov, but he shouts at me at the top of his voice: "Why are you stepping on my foot?" As for Maskhadov, he did not yell, but nudged me with his foot in response. On the whole, we had "under-the-table" diplomacy.

[Kalinina] How did you learn that you were appointed delegation head?

[Imayev] In the evening someone heard that Chernomyrdin reached agreement with Basayev and that the following day talks would begin in Groznyy and that I was appointed delegation chief. We were in the mountains at the time; we had no communications at all. We could not find other delegation members, so I went alone. I arrived in Groznyy in the morning, we sat down at the table — on the Russian side, a delegation; on our side, me alone. They asked me, "Hey, are you alone?" I said, "So what, isn't it enough for you?"

[Kalinina] At the time when you were the delegation head, the sides attempted to discuss not only the military package, but also the political accord. Did you manage to reach any agreement at the time?

[Imayev] The political agreement includes a total of 26 provisions. We managed to agree on 17. I think that in the end we would have been able to reach agreement. Five different versions of the phrasing regarding Chechnya's "sovereign status" were put forward. They were all based on compromise; what remained was to choose the one that would suit both sides.

[Kalinina] Do you think combat operations may resume?

[Imayev] This may happen if serious provocations begin. In this case the Chechen side will surely resort to terrorist acts.

[Kalinina] Basayev claims to have bacteriological weapons. Is this really so?

[Imayev] There are some weapons.

[Kalinina] There has been wide-spread talk that the actual reasons for the war were the two sides' economic interests. They allegedly could not agree on something. Do you have any suggestions to that effect?

[Imayev] Frankly speaking, I think that they started seriously contemplating the war after we reached an agreement with a Western company to build a pipeline across the Great Caucasian Ridge to Georgia and from there, to Iran or Batumi [on the Black Sea in southwestern Georgia]. Chechnya was to be given a huge loan: $3.011 billion. Had the pipeline been built, we would have been able to sell oil to the West without hindrance. Chechnya would have achieved economic independence from Russia and, besides, Russia would have no longer been able to control Georgia as it does now by selling it oil and gas or refusing to do so — depending or the degree of its "obedience." That is, Russia would have lost two "areas of influence" at one time, and this of course, would have been a huge loss.

[Kalinina] Usman, if you are offered a post, will you come back to state affairs?

[Imayev] No, I am not going to hold any posts any longer. I am interested in religion. I have already started preparing myself to become a mullah. I will not go back to politics.

Mikhaylov: Crisis Can Still Be Settled Peacefully

LD1009153895 Moscow INTERFAX in English 1343 GMT 10 Sep 95

[FBIS Transcribed Text] GROZNYY, Sept 10 (INTERFAX) — The military agreement, which was signed in Groznyy on July 30, means "a breakthrough which still leaves us chances to resolve the crisis in Chechnya by peaceful methods," Russian top negotiator at talks with Chechnya, Minister for Nationalities and Regional Policy Vyacheslav Mikhaylov told reporters on his arrival in Groznyy Saturday.

Mikhaylov said he intended to "thoroughly study once again the mechanism for the military agreement's implementation, examine the performance of the special observer commission and find solutions to some problems, which admit various interpretations, together with the Dudayev side."

Mikhaylov said he also planned to discuss the situation with Russian Security Council Secretary, Presidential Representative in Chechnya Oleg Lobov "taking into account the recommendations which were made at the Security Council's last meeting." Mikhaylov said he would discuss with Lobov the part which the Ministry for Nationalities could play in the implementation of these recommendations. He said he would also coordinate the approaches to settlement of the Chechen conflict with the Federal Executive Power Territorial Department in Chechnya.

Mikhaylov said he disagreed with "those who believe that the wording of some provisions of the military agreement infringes on the interests of the Russian side and deprives Russia of the opportunity to fix the quantitative criterion for the disarmament."

"Nobody is able to indicate the exact quantity of armaments in Chechnya at present. The estimations vary from 35,000 items to 80,000 items," Mikhaylov said.

Mikhaylov said that all of the military agreement's legal aspects had been coordinated and confirmed. He said he believes that "the talk about the advantages or disadvantages of this or that side is just propaganda tricks."

Mikhaylov said "some faults in some provisions of the agreement came as a result of the compromise rather than of legal experts' poor performance."

Mikhaylov said his deputy at the talks Arkadiy Volskiy was expected to come to Groznyy next week.

Military Operations

Russian Army Blames Chechen Militants for Argun

LD0809183695 Moscow INTERFAX in English 1659 GMT 8 Sep 95

[FBIS Transcribed Text] GROZNYY, Sept 8 (INTERFAX) — According to the official federal army headquarters version of the incident which took place in the Chechen town of Argun, from 11:30 p.m. of September 6 till 1:30 a.m. of September 7, a group of militants of up to 30 men in strength fired at the regional Interior Ministry Department and regional Prosecutor's Office building simultaneously from three sides. After Interior Ministry and local police forces, supported by federal troops, took retaliatory measures the group was forced out of Argun, Colonel Ivan Yesyutin, a spokesman at federal headquarters, said in Groznyy Friday.

"During the combat two Interior Ministry conscripts were wounded, and one of them died on the way to the hospital," Yesyutin said. He had no information as to the casualties among the militants or civilians.

However, Dudayev's Press and Information Minister Movladi Udugov told INTERFAX Friday that "the Chechen side categorically denies that any militants raided Argun on the night of September 6.

"There were no militants there," he said.

According to Udugov, the Chechen side had explained its stand to the Russian army headquarters at the Friday meeting of the commission observing implementation of the military agreement signed by both sides July 30.

Politics and Nationalism

Lobov in Grozayy, Denies Militants Seized Gudermes

*LD1109123895 Moscow INTERFAX in English
1059 GMT 11 Sep 95*

[FBIS Transcribed Text] GROZNYY, Sept 11 (INTERFAX) — Gudermes is "fully controlled by legitimate authorities," "life in it goes in full swing," Oleg Lobov, the Russian president's envoy to Chechnya, said to INTERFAX on Monday.

On Sunday, he visited Gudermes, Chechnya's second largest city, a major railway junction in North Caucasus. Thereby, Lobov has refuted some media allegations that the city has been taken over by Dudayev's militants.

He discussed with Gudermes leaders economic, cultural, and social problems facing that city.

He also inspected the Naur and Nadterechniy regions.

At a meeting in the Znamenskoye village, attention was focussed on how to restore the republic's agriculture, completely ruined over four years of Dudayev's rule.

Lobov urged to reasonably combine the collective and private methods of farming, work out a program of agricultural reform, and adopt the best possible model of land tenure by taking local conditions into account.

Lobov has been accompanied on his trip by National Rebirth Government Chairman Salambek Khadzhiyev, National Concord Committee Chairman Umar Avturkhanov, and Russia's Deputy Finance Minister Stanislav Korolyov.

Muslim Leaders Meet Lobov, Urge Prompt Peace

*LD1109115995 Moscow ITAR-TASS in English
1056 GMT 11 Sep 95*

[By Sharip Asuyev and Valentin Pavlov]

[FBIS Transcribed Text] GROZNYY, September 11 (ITAR-TASS) — Chechnya's Moslem religious leaders call for a prompt peaceful settlement in the republic. During today's meeting with the Russian president's plenipotentiary representative in the Chechen republic Oleg Lobov, representatives of the Muftiate and the Assembly of Descendants of Muhammad, Sheikhs and Urazes of Chechnya voiced an appeal for preventing armed actions and called for friendship among all peoples residing in the republic.

Oleg Lobov supported the desire for peace expressed by the religious leaders. "Now that peace is returning to Chechnya, the word is more important than grenade launchers," he said.

Lobov Interviewed on Future Elections in Chechnya

*LD1009200795 Moscow NTV in Russian
1700 GMT 10 Sep 95*

[Interview with Oleg Lobov, secretary of the Russian Security Council and presidential representative in Chechnya, by NTV correspondent Sergey Gapanov; place and date not given — recorded; from the "Itogi" program]

[FBIS Translated Text] [Lobov] My views on the right way to hold elections are to first of all ask the population what form of government would be more convenient in the Chechen Republic, already proceeding from the experience that has been amassed in the last four years. Should there be a presidential republic or should there be a parliamentary republic? Which form of self-rule should there be? In this respect, it would do no harm to ask the population, right? That is, it is quite possible to hold either a wide poll or even a referendum, let us say at the end of this year or the beginning of next year. After that it will be possible to decide whether there should be presidential elections or just elections to the Supreme Council or the parliament of the republic. That is the first thing.

Having settled this issue, it is then necessary to determine what local form of government there should be. Will it be local prefectures or heads of administrations? Will they be appointed or elected? That is, in essence, it is necessary to work out if not the whole constitution, at least the section on the forms of self- rule in the Chechen Republic, right, and also try this out, so that the people should agree to it.

Further, I think one should start not with elections to the top echelons of power, but with local elections — in villages, settlements, towns, and districts, right? Then we will have a picture of the powers being formed as if from the bottom, and we exclude pressure from the top.

My calculations show just that. If we manage to conclude disarmament in the next one and a half, two months — though there is an optimistic forecast that it will be concluded in September — then we still need at least two or three months to hold primary elections. That is, we will be either at the end of this year or already in 1996. However, we have 17 December — that is the elections to the State Duma. I think there is a roundtable at present that represents various parties, various movements, various political forces, in essence, and even separate leaders, who are recognized authorities. I believe that this roundtable should now, in the near future, discuss the issue of the participation of the population of the Chechen Republic in the elections to the State Duma. It would be a very good thing. This will allow them to see the mood of the population, and the population whom they are voting for, for which leaders.

I think that this is the most realistic promotion of democratization in the Chechen Republic at present.

Former Leader Says Chechnya Not Ready for Elections

LD1109124195 Moscow INTERFAX in English 1059 GMT 11 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 10 (INTERFAX) — Chechnya is not ready for democratic elections at this stage, Ex-Speaker of the Supreme Soviet of Checheno-Ingushetia Doku Zavgayev who now heads the administration's department for Russian territories told INTERFAX on Monday.

The Russian president at a news conference last Friday named Zavgayev among those who wielded influence in Chechnya and could take an active part in the peace process there.

Referring to official counts, Zavgayev said 401,000 out of the country's able-bodied population of 1 million were now outside Chechnya. "Absolute figures are much higher than that," he believes.

He also spoke of ethnic representation being seriously violated. Zavgayev said about 60% of members of the Russian community and 70% of local Armenians were now outside the republic.

He ruled out any public peace unless those problems were resolved adding that no elections held under the sight of automatic guns, which were plenty in the hands of the embittered population, would help solve the main issue.

Avturkhanov: Chechnya Not Ready For Elections

LD1009150695 Moscow INTERFAX in English 1343 GMT 10 Sep 95

[FBIS Transcribed Text] GROZNYY, Sept 10 (INTERFAX) — Chairman of the Chechen National Accord Committee Umar Avturkhanov said he believed that the situation in Chechnya was unfavorable for holding parliamentary elections to the Chechen People's Assembly this year.

Avturkhanov told INTERFAX in an interview today that "parliamentary elections can be held only after the disarmament of illegal armed formations is completed." Avturkhanov said the mechanism for implementing the military agreement signed by the Russian and Dudayev delegations in Groznyy on July 30 was not functioning. He said the handover of armaments in Chechnya was unlikely to be completed by the end of 1995 "that is why it is now difficult to discuss the date for elections to the Chechen parliament."

Avturkhanov said: "There are people who want to hand over weapons and get money. But there are also those who will never hand over armaments. These people must be disarmed under the "carrot-and-stick" principle." Avturkhanov said such a principle provided for bringing these people to criminal accountability for illegally carrying weapons.

Avturkhanov said he did not want to take part in the parliamentary elections. Nevertheless, he said that "if people need me and demand that I should take part in the elections, I will have to cede."

The National Accord Committee last week postponed elections to the Chechen parliament, earlier planned for November 5, for a later date.

'Daimokhk' Movement Opposes Chechen Government

LD1009102795 Moscow ITAR-TASS in English 0939 GMT 10 Sep 95

[By Sharip Asuyev and Valentin Pavlov]

[FBIS Transcribed Text] GROZNYY, September 10 (ITAR-TASS) — Chechnya's political movement Daimokhk (Motherland) declared its opposition to the National Conciliation Committee and the Government of National Revival which are led respectively by Umar Avturkhanov and Salambek Khadzhiyev.

The movement's coordinating committee chaired by Lecha Umkhayev issues a statement today, saying that Daimokhk "does not have any relation to the formation, much less the work of both the National Conciliation Committee and the National Revival Government".

The statement does not mention that Khadzhiyev until recently was co-chairman of Daimokhk and was in this position when he led the opposition to Dzhokhar Dydayev in the sping and summer of the last year.

The statement stresses dissent of Daimokhk with many actions of Chechnya's leaders.

Local observers say the U-turn in the stance of Daimokhk, an influential movement in Chechnya, indicates that Chechnya now has neither organised political forces nor recognizable leaders.

Baltic Presidents Issue Joint Statement on NATO, EU

LD0709210695 Moscow INTERFAX in English 1805 GMT 7 Sep 95

[FBIS Transcribed Text] TALLINN, Sept 7 (Interfax) — Presidents Guntis Ulmanis of Latvia, Algirdas Brazauskas of Lithuania and Lennart Meri of Estonia said that their countries intend to join NATO "as soon as it becomes possible."

The presidents, who met in Tallinn Thursday, issued a joint statement saying that NATO is the principal guarantor of security in Europe. They gave a positive assessment to the activities of the three Baltic countries aimed at the development of cooperation with NATO and called for broader ties with the alliance. The presidents said that those democratic states of the Central Europe which want to join NATO must be granted the opportunity to do so.

They also stressed the need to develop cooperation with the European Union and the Western European Union.

As for relations with Russia, the presidents expressed the hope that they will develop on a democratic basis in the future.

The presidents told a joint news conference after the summit that the three countries joining NATO poses no threat to Russia. According to Meri, "by ensuring the security of the Baltic states we offer Russia-security in the west."

The Baltic peace-keeping battalion will later grow to a division, he said.

The presidents expressed their satisfaction with the development of cooperation between the three Baltic countries. They spoke in favor of easing passport and customs control between the countries and of strengthening it on the eastern border. They also favored the creation of a Baltic Customs Union and the development of a single transport zone.

Brazauskas said that the fourth check point on the Polish border is to open soon, which will significantly facilitate contacts between the Baltic countries and the West. He called on the Northern countries to take part in the construction of Via Baltica, a trans-European highway.

Discuss Defense Cooperation

LD0709183595 Tallinn Radio Tallinn Network in Estonian 1700 GMT 7 Sep 95

[FBIS Translated Excerpt] The Baltic states' presidents discussed cooperation between the Baltic states as well as relations with neighboring countries and international organizations in Tallinn today. In the evening they answered questions from journalists. Mall Malberg went along.

[Malberg] [passage omitted covered by referent item] The journalists' questions to the Baltic presidents were indeed mostly to do with NATO membership. Latvian President Guntis Ulmanis said that the Latvian and Russian foreign ministers met a few hours ago, and Mr. [Andrey] Kozyrev [Russian foreign minister] stated then that his deputy, Sergey Krylov, who had promised to use force against the Baltic states if they join NATO, had been misunderstood: he had not said anything of the kind.

Next followed a question as to whether the Baltic states are increasing their defense expenditure. Here is [Estonian] President Lennart Meri's answer.

[Begin Meri recording] The Estonian state budget does envisage increased expenditure on defense but this has been done completely independently of Mr. Krylov's statement. I do not think that we should treat any statements from officials in the spirit of it being anything like 1939 here. [end recording]

[Malberg] The Latvian and Lithuanian presidents took a similar view on Mr. Krylov's statement and do not see that their countries' state budgets depend on any statements originating from the east. [passage omitted]

Discuss Liberalizing Trade

LD0709154395 Tallinn Radio Tallinn Network in Estonian 1500 GMT 7 Sep 95

[FBIS Translated Text] In their joint statement today, the Baltic states' presidents stated that NATO must provide a membership option to those Central European democratic countries which are ready for this and want this. The presidents noted that the Baltic states hold the position that the processes underway in Central Europe toward integration with the European Union, NATO, and the Western European Union have a mutually cumulative effect.

Estonian President Lennart Meri, Latvian President Guntis Ulmanis and Lithuanian President Algirdas Brazauskas reiterated their countries' firm wish to join NATO as soon as possible. The presidents approved their countries' continued cooperation with NATO and called for strengthening these links even further, and in particular in practical matters.

The presidents voiced pleasure at the concluding of the European agreements and expressed a joint wish for EU member countries to ratify them promptly and implement them. Meri, Ulmanis, and Brazauskas supported the proposal made by Poland to convene a special summit of the leaders of the EU member countries and the associated countries, to discuss specific issues of EU expansion.

In respect of cooperation between the Baltic countries, the presidents agreed to assist toward making transit freight pass more effectively across their mutual borders and to strengthen control on the eastern border.

The Estonian, Latvian, and Lithuanian president emphasized the need to liberalize trade between the three Baltic states even further, in particular due to the forthcoming membership of the World Trade Organization.

ITAR-TASS Carries Press Review for 9 Sep

LD0909062195 Moscow ITAR-TASS in English 0430 GMT 9 Sep 95

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW, September 9 (Itar-Tass) — The IZVESTIYA newspaper devotes its commentaries on questions discussed by President Boris Yeltsin at his news conference on Friday [8 September]. The daily describes the president's criticism of the Foreign Ministry as a cue for a possible reshuffling of the ministry's leadership.

However, while the fate of Andrey Kozyrev as foreign minister is still a question mark, the resignation of acting Prosecutor-General is virtually sealed, the newspaper stresses.

The daily calls as "a real sensation" Yeltsin's intention to involve Ruslan Khasbulatov (Eds: Khasbulatov was among ringleaders of an abortive state coup in October 1993) in the negotiating process in Chechnya, who, as the president hopes, "became wiser over the past time".

Under the headline "Bosnian crisis. President fulfilling what Duma (Eds: Russian parliament lower house) has not decided yet", IZVESTIYA carries an article, noting that neither the leaders of the Russian Foreign Ministry, nor experts were invited to the sitting of the State Duma on the Bosnian crisis.

The daily suggests that the session will not resemble ordinary parliamentary hearings.

The army newspaper KRASNAYA ZVEZDA quotes words by the Russian president that "we shell settle debts with the military by the year end". The government owes 3,000 billion roubles to the army.

"The president firmly stated that he will not permit to keep the army on a hungry ration," the newspaper notes.

KRASNAYA ZVEZDA carries an interview with Major-General Valeriy Yevnevich, commander of Russian troops in the Dniester region of the Moldovan Republic. The general notes that he came to the region "not to be engaged in politics but to execute the will of the Russian state".

Among the main tasks, he singled out "ensurance of stability of the situation in the region" and "ensurance of safety of combat materiel and ammunition".

Some 60 million people in Russia live on the verge of poverty, writes chairman of the State Duma Committee on Labour and Social Maintenance Sergey Kalashnikov in the Rossiyskaya Gazeta newspaper.

According to Kalashnikov, wages made up only 36 percent of incomes of Russians last July.

"The income gap in the Russian society reached an extremely dangerous scale," notes the trade union newspaper TRUD. According to the daily, "ten percent of well-to-do people bagged in 30 percent of cash incomes of the entire population — 137,000 billion roubles".

Gennadiy Zyuganov, leader of the Communist Party of the Russian Federation, informs PRAVDA newspaper readers of the election platform of his party which is the largest among other communist parties in Russia.

He calls "the formation of a national salvation government" the main task of the party. Russian communists favour arresting the industrial slump, restoration of public ownership of land and its entrails as well as "return to citizens of rights stolen from them".

"Text" of Bosnia Statement; NATO Urged To Stop Actions

LD0809143095 Moscow ITAR-TASS in English 1402 GMT 8 Sep

[FBIS Transcribed Text] MOSCOW, September 8 (Itar-Tass) — Sergey Medvedev, press secretary of the Russian president, on Friday made a statement regarding Boris Yeltsin's pronouncements on the situation in Bosnia made at a news conference in Moscow on Friday. Follows the text of Medvedev's statement:

"Addressing a news conference on September 8, 1995, the Russian president dwelt in detail on the situation in Bosnia. It has sharply aggravated of late. Yeltsin believes the problem actually turns into that of global politics and exerts an ever more negative effect of international relations.

"The Russian president firmly declared in favour of the world community returning to genuine peacemaking in Bosnia.

"Russia warned the world community from the outset that it is wrong to watch closely the actions of one party to the conflict while winking at the actions of others. We were told in answer that we are mistaken. Proofs were cited and facts mentioned. As a result, tough resolutions were adopted against Yugoslavia, against Bosnian Serbs. Serbs were insulted politically and morally. Power actions of other participants in the conflict have actually prompted no retaliation.

"With the passage of time arguments and proofs on the basis of which anti-Serb resolution were taken look ever more doubtful. Wittingly or unwittingly, Serbs were presented in the image of enemy. Russia insists that in light of new information about explosions in Sarajevo's Moslem quarters the United Nations should reconsider the situation in Bosnia. NATO military actions in Bosnia should be stopped.

"Yeltsin believes that whether or not Russia continues to adhere to sanctions against the Union Republic of Yugoslavia depends on how events develop. It was stressed at the news conference that Russia could already increase humanitarian aid to that country. The appropriate federal law has already come into effect.

"International recognition of the Republic of Croatia was made conditional upon its pledge to respect national rights of Serbs. The president now considers a number of measures which should be taken if the violation of this requirement continues.

"Russia welcomes the overcoming of differences between the leadership of the Union Republic of Yugoslavia and Bosnian Serbs and the setting up of their joint delegation to conduct peace negotiations. Russia agrees to be a guarantor of this process. The establishment of confederate ties may become an important moment. These ties can be similar to those set out in the Washington treaty between Croatia and the Moslem-Croatian coalition in Bosnia.

"At the news conference the president seriously criticised the work of the Russian Foreign Ministry. He believes some state leaders in Russia repeat too often that they pursue the presidential course. The president believes this is not an honour and not a guarantee against mistakes. It is important how this course is conducted. Work will be assessed on the strength of results, not words."

Yeltsin Proposes New Russia, U.S., EU Contact Group

LD0809194795 Moscow INTERFAX in English 1754 GMT 8 Sep 95

[Report by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others; from the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, Sept 8 (Interfax) — President Yeltsin's initiative to set up "a contact working group on former Yugoslavia, consisting of Russia, the U.S. and the EU" does not aim to replace the international contact group on Bosnia (Russia, the U.S., France, Germany and Britain — Interfax), a high-ranking Russian diplomat told Interfax.

Yeltsin's proposal to set up a group consisting of Russia's First Deputy Foreign Minister Igor Ivanov, U.S. under-Secretary of State Richard Holbrooke and the EU Co-Chairman of the international conference on former Yugoslavia Carl Bildt, was announced by Russia's Foreign Minister Andrey Kozyrev in Moscow Thursday.

The source said that the Russian initiative provides for "coordinating the positions of Russia, the U.S. and the EU in the context of the contact group's peace plan."

He also said that Russia, the U.S. and the EU had their own proposals on the settlement of the Yugoslav conflict. "In our opinion, the three members of the working group might dovetail the initiatives of all sides, so concerted action might be taken," said the diplomat.

He announced that the organizational questions would be discussed within the framework of the Geneva conference of the contact group members and the foreign ministers of Yugoslavia, Croatia, Bosnia-Herzegovina, due to begin on Friday.

Russia will be represented in Geneva by First Deputy Prime Minister Igor Ivanov.

Yeltsin Sends Letter to EU Countries on NATO Strikes

AU0809163695 Paris AFP in English 1603 GMT 8 Sep 95

[FBIS Transcribed Text] Copenhagen, Sept 8 (AFP) — Russian President Boris Yeltsin has warned in a letter to Denmark — and apparently to other European Union countries — against continued NATO airstrikes against Bosnian Serb positions, Danish Foreign Minister Niels Helveg Petersen said Friday [8 September].

"The Russians say the Atlantic alliance (NATO) acting in the name of the United Nations has overstepped the mandate set by UN Security Council resolutions," Petersen told the Danish news agency Ritzai.

"Russia also suggested in this letter that it would actively contribute to the peace negotiations currently under way between the parties to the conflict and the contact group," Petersen added.

Yeltsin's letter was sent to the 15 EU members on the eve of an informal foreign ministers' meeting Saturday in Santander, Spain.

In Bonn, German Foreign Minister Klaus Kinkel said NATO would not allow itself to be impressed by Moscow's "tough talk" on NATO expansion.

"Let's give these remarks the importance they deserve. Let's wait. (Russia's) bark is bigger than its bite," Kinkel said. "We don't have to get involved in that."

And in Warsaw, Prime Minister Jozef Oleksy said Poland's desire to join NATO would not be affected by Russia's criticism. "President Yeltsin's statements go through periods of greater and less intensity. Right now, the tension is rising," he said.

Yeltsin Denies Confronting West on Support for Serbs

LD0809114795 Moscow Mayak Radio Network in Russian 1030 GMT 8 Sep 95

[FBIS Translated Text] At a news conference held in the Kremlin today by Russian President Boris Yeltsin, perhaps most attention was paid to the situation in the former Yugoslavia. As is known, Russia resolutely condemned the bombings carried out by NATO aircraft against Bosnian Serb positions. In connection with this, he was asked: Does this position adopted by Moscow intensify tension in relations between Russia and the West? Listen to the president's reply:

[Begin Yeltsin recording] And why do the Americans support the Muslims? Are the Americans increasing this tension, or not? And why are the Germans supporting the Croats? Is Germany intensifying some anti-German feelings? We have long had historic contacts and good relations with the Serbs. We have always supported each other. Why should we abandon them today when they are in trouble? When they are guilty of something, we also say that they are guilty. This did happen at one of the votes in the Security Council somewhere, about a year ago.

And with regard to the reaction of our public, I shall tell you: One can quote letters, telegrams, and so on; but look how many rallies, how many marches there have been, how much indignation is being expressed throughout Russia; you can see this is Moscow. [People chant:] Defend the Serbs! The State Duma is going to discuss this issue.

Of course, we, the top-ranking politicians and the president, should approach this issue with a cool head and understand that we do not wish to go in for any confrontational actions with the West. We want to reach agreement with them and sit down at a table for peace talks togther with the Yugoslav leaders — together — and resolve the issue. That is what we want. [end recording]

Yeltsin Stand on NATO, Bosnia, Financial Crisis Viewed

MK0909113895 Moscow SEGODNYA in Russian 9 Sep 95 p 1

[Report by Aleksey Zuychenko: "Boris Yeltsin Has Warned About the Possibility of Restoring the 'Warsaw Pact.' The Head of Russia On the General Prosecutor, Senate, Finances, Vacation, and God," with commentaries by Vladimir Abarinov and Andrey Grigoryev]

[FBIS Translated Excerpts] President Yeltsin yesterday confirmed his tough stand on NATO bombing of the Bosnian Serbs expressed a day earlier during his negotiations with Felipe Gonzales and EC representatives. At a Friday news conference in the Kremlin, the head of the Russian state accused the allied countries of ignoring Russia's positions and of a biased attitude toward the Serbs. According to Yeltsin, the EC countries and the United States ignore the growing aggressiveness of the Muslim side and the "capture of new territories by the Croats." Furthermore, the president said the decision to bomb was illegal because the UN Security Council made no such decision. Also, from his point of view, NATO lacks the will to settle the issue peacefully. "Considering Russian-Serb relations, we must respond adequately and help the Serbs," he stated. The president also announced the intention to increase humanitarian aid to Bosnian Serbs and, if bombing continued, to start rendering them military assistance. "We will see," the Russian leader said, "maybe, if such actions continue, things will get hotter." Having effectively presented the NATO countries with an ultimatum, Boris Yeltsin reaffirmed his proposal to convene a peace conference on Bosnia in Moscow this October.

The president again rejected the idea of NATO expansion, saying that what is now happening in Bosnia is "only the fist symptom of what could happen should this organization be enlarged." [passage omitted]

Apart from the "Serb question," which was apparently the most painful for the president, the following topics were also touched upon at the news conference:

— Parliamentary election.

The president is concerned about what he regards as an excessive number of parties and blocs. The president fears that the lower house will be penetrated by criminal structures. He is ready to rebuff candidates who violate the constitution and to put barriers in the way of extremists making a grab for power. The president is not going to hinder the election and promises to announce next year his decision to run or not to run for a second term. The outcome of the parliamentary election cannot affect the president's decision.

— Position of low-income sections of the population.

The president is concerned. The government is to blame. The president ordered the Central Bank to issue 2 trillion rubles for the government to pay pensions. The president basically advocates a tough budget and monetary policy. [passage omitted]

[Following is a commentary by Andrey Grigoryev]

The president has signed an order for the Central Bank to make available 2 trillion rubles to offset the government debt. This phrase, quoted by INTERFAX, is not very coherent. Its continuation — "...on the payment of pensions and wages to employees in the [federal] budget-funded sphere" — makes things clear. Forgetting for a while the bad grammar and leaving aside the question of who — the president or agency correspondents — have such a poor command of Russian, it becomes apparent that the Central Bank has been ordered to extend a 2-trillion ruble credit to the budget. Quite possibly this sum will be "squeezed" into the credit allowance designed to cover the budget cash shortage: It is useless to argue with Russian budget mathematics.

However, the appearance of such emission-related presidential orders is very indicative. It points to the absence of real shifts in the decision-making mechanism in the financial sphere. Two years ago, shortly before the election, Boris Yeltsin also intervened in the Central Bank's emission activity on several occasions, in spite of the government's declared ban on centralized credits to end-use borrowers. Apparently, nothing has changed. To date the volume of monetary emissions is regulated by presidential directives. In this context, the words about financial stabilization and the deepening of economic transformations are becoming reminiscent of political demagoguery. Moreover, the president's desperate attempt to address budget problems in such an abrupt manner suggests an extremely deplorable state of the treasury in spite of the government's upbeat forecasts.

True, in addressing the journalists, Boris Yeltsin displayed a fairly flexible approach to macroeconomic problems. Grumbling about the negative impact of the government's economic policy on the social situation in the country, the president provided a very effective substantiation to his emission order. "According to the State Statistics Committee, in August the rate of inflation was 4.6 percent. Well, what if it was 4.7 percent? Who would be the worse off for that?"

[Following is a commentary by Vladimir Abarinov]

The president, of course, has the right to criticize NATO air strikes. By publicly declaring support for the Serbs, however, Yeltsin for his part makes a political mistake, because he thus loses the confidence of the other two sides in the conflict. It is not enough to say that the interpretation of the latest developments in the Balkans is biased: It is simply wrong. The Croats have not seized any new territories. Serb Krajina is the territory of Croatia, whose borders are recognized by Russia. As for the "aggressiveness" of the Muslims, it manifests itself within the territorial division plan proposed by the Contact Group. The Muslims have not been found guilty of ethnic cleansing either. The threat to turn aid to the Serbs from "cold" into "hot" will, in all likelihood, not be made good, because no East European country will allow such cargo to transit its territory and the Adriatic coast is reliably blocked by NATO ships. At the same time, the president's way of reasoning is alarming: From his point of view, NATO actions untie the hands of not only Serbs but also Russia. Hardly could there be a better present to the participants in the Geneva negotiations.

Balkan Stance 'Subservient' as NATO Strikes Continue

MM1109120195 Moscow SOVETSKAYA ROSSIYA in Russian 9 Sep 95 p 1

[Article by Yevgeniy Popov: "A Bloody Bluff. NATO Continues Meting Out Retribution. And Russian Authorities Rant and Rave 'Appropriately....'"]

[FBIS Translated Text] The United States and NATO are continuing to mete out bloody retribution against the Serbs. The number of combat flights has already passed the 2,000 mark. The only let-up in the bombardment of the regions north and south of Sarajevo has been because of bad weather. In the past few days alone, the Phantoms, Mirages, and heavy artillery of the rapid reaction force have rained down as many bombs and shells on ammunition dumps, rear support installations, apartment blocks, hospitals, and other civilian targets as the U.S. and British aircraft dropped on the German city of Dresden at the end of World War II, a raid which turned one of Europe's most beautiful cities — the "Venice of the North" — into mounds of ruins and annihilated tens of thousands of peaceful civilians, mostly refugees. According to some historians, the psychological reason for the senseless and barbaric attacks on Dresden was the desire of the United States and Britain to demonstrate Western military might not to Hitler but to...Stalin!

Times have changed and today Clinton would seem to have no need to rattle the high-tech saber: America is the only superpower left now and NATO is now the only military bloc in Europe. Some experts, for example former Secretary of State Henry Kissinger, warned the present White House Administration against military adventures in the Balkans for purely pragmatic reasons among others: The U.S. military intervention "would almost certainly arouse Russia's opposition." But Kissinger added the qualification "almost certainly" for a good reason. In recent years Russian diplomacy has been increasingly subservient following a pro-U.S. line.

Against that background the Russian leaders' regular attempts (especially prior to elections and referendums) to display a certain air of "independence" and "autonomy" look pathetic and awkward. Let us recall the emotional speech that Yeltsin delivered to Foreign Ministry leaders: "Russia is now perceived in the West as a state which only ever says 'yes,' a state which never notices how others fail to meet their obligations to it, and which silently tolerates injuries and even insults."

Well who is to blame for that attitude toward Russia, you will ask, if not its present leaders themselves? Who betrayed our friends in the former socialist countries and destroyed the Warsaw Pact, who wrecked the Soviet Union, and who signed the inequitable disarmament treaties?

Was it so long ago that the Russian president, attending the G-7 conference in Halifax, loudly stated: "We in the Security Council will not allow the bombing of Yugoslav territory ever again." "We will not allow...." The Soviet Union was able to prevent its friends, be it Cuba, Egypt, or Yugoslavia, from being insulted and indeed did so. But what about present-day Russia, which the president is so fond of describing as a country which has "gotten up off its knees"?! What can it do? Threaten yet again to withdraw unilaterally from the economic sanctions against Yugoslavia? Or hint, as happened the other day, that "Russia will have to review its relations with NATO" if the United States continues military operations against the Serbs? Try to convene a session of the UN Security Council, where the Russian representative not only did not oppose the anti-Serbian resolutions but also actively promoted the adoption of more and more new resolutions?

It is those resolutions that the UN and NATO forces are citing now as they conduct bloody operations against the Serbs day in, day out with impunity. U.S. Defense Secretary William Perry has bluntly stated that it is the contact group's decisions adopted in London, where Russia is represented by Kozyrev and Grachev, that provide the mandate for the massive punitive operation against the Serbs.

The explosion in the Sarajevo market and the massive U.S.-NATO strikes against Serb positions which then began were a "provocative preparatory" stage in the preparation for the contact group's meeting which opened in Geneva yesterday including delegations from Yugoslavia, Croatia, and Bosnia. Essentially this is an attempt to realize the long-standing plan of Sarajevo president Izetbegovic to secure at the negotiating table what he couldn't achieve on the battle field.

Chernomyrdin on EU Trade Obstacles, Dudayev, Spain

BR0809125995 Madrid EL MUNDO in Spanish 7 Sep 95 p 24

[Report by Francisco Herranz: "Chernomyrdin: 'We Will Not Allow the EU To Discriminate Against Us'"]

[FBIS Translated Excerpt] [passage omitted] Viktor Chernomyrdin wants to start negotiations with the EU "under normal and civilized conditions" but he openly complains of the "discriminatory" measures that Brussels is still taking against Moscow with regard to "dumping" (illegal price cutting), bans, and quotas. These are measures that date back to Soviet times.

Even though this year Russia signed a provisional trade agreement with the EU, it can still not trade freely in metals, textiles, machinery, nuclear fuel, or in other interesting areas of trade such as space-related aspects.

The Russians, for their part, have put a stop to import quotas even though the prime minister admitted that they are coming under intense pressure by their producers "who want us to apply limits on the importing of foodstuffs."

Mr. Chernomyrdin warned sternly: "We are a strong and patient people but we will not tolerate obstacles being strewn in our way that continue to discriminate against us." He went on to explain that nor was he asking for special treatment.

After saying that events in Spain were "small scandals" compared to the "real scandals" going on in Russia, Chernomyrdin pointed out that he would not like to see the domestic situation in Spain have negative consequences for EU policy, especially since Felipe Gonzalez is currently acting president of the Union. [passage omitted]

The Criminal Dudayev

Criticized by his enemies as being the perfect, mediocre "apparatchik," Chernomyrdin showed in June that he has the aptitude of a leader when he successfully negotiated the release of hundreds of hostages being held in a hospital by Chechen commandos in a southern Russian city.

The "tragedy of Budennovsk" was an exception to the rule that the prime minister is not prepared to negotiate with the leader of the Chechen rebels, Dzhokhar Dudayev. He repeated three times so that there could be no mistake: "He is a criminal." In his opinion, Dudayev does not play a key role and is not an important leader. If he were a real leader, Chernomyrdin added, "we would not have waited three years before making him listen to reason."

He continued: "Why should we sit down with him at the negotiating table? To come to the conclusion that he organized a veritable genocide in a little republic in the Caucasus? We will talk with those people who have an influence on the situation and who want to end the conflict — and Dudayev is not one of them."

Deputy Foreign Minister Meets Contact Group Officials

Cites Important Results

LD0909161095 Moscow INTERFAX in English 1332 GMT 9 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 8 (Interfax) — Meeting in Geneva under the Contact Group's auspices, the foreign ministers of Yugoslavia, Croatia, and Bosnia "managed to achieve important results," Igor Ivanov, Russia's first deputy foreign minister said in an exclusive interview with Interfax on the line from Geneva.

According to Ivanov, who represented Russia at the gathering, "the final document for the first time fixed the principles that had been laid in the Contact Group's peace plan, and this document received approval from the presidents of Yugoslavia, Bosnia, and Croatia."

"Thus, we can say that the Contact Group's peace plan has begun to be put translated into action," Ivanov stressed. [sentence as received]

He specifically noted that "all the Contact Group participants and the foreign ministers of Yugoslavia, Croatia, and Bosnia agreed that the Bosnian conflict could be settled by peaceful and no other means."

"For this reason, the Russian side noted that if NATO carried on air strikes, this, regrettably, could rub out the Contact Group's accomplishments," Ivanov pointed out.

He then quoted the Russian delegation as stressing that "such air strikes, which by Russia's view, go far beyond the UN mandate, must be stopped, if we really want to move further toward a political solution in Bosnia."

"Thus, our delegation has a two-some feeling, Ivanov said. On the one hand, there are obvious practical results that pave the way for a peace settlement. On the other, there is a sense of alarm since these major results can be meaningless, if NATO's air strikes continue," Ivanov said.

According to the final document, a copy of which has been made available to Interfax, the foreign ministers of the three former Yugoslav republics reiterated on their presidents behalf the recognition of the following principles:

— Bosnia-Herzegovina will continue to legally exist within the internationally recognized frontiers;

— Bosnia-Herzegovina will consist of two territories: a Bosnia- Herzegovina Federation and a Serbian Republic;

— the principle of territorial division in Bosnia in 51-49% proportion, suggested by the Contact Group, makes up the basis of a settlement;

— Each territory will be entitled to establish special relations with neighboring states, provided the sovereignty and territorial integrity of Bosnia-Herzegovina is honored.

Asked if that means the recognition of Bosnia by Belgrade, Ivanov replied that "today's document has no legal effect."

"It mirrors the participants political will, and for this reason, formally we cannot say that after the document's adoption, Yugoslavia will recognize Bosnia-Herzegovina," the deputy foreign minister explained.

"One should realize that this is only the start of the way, and ahead there is a lot of questions to be painstakingly settled within the framework of the working and contact groups alike and with each conflicting side because each of the questions is very complex, beginning with Bosnia's constitutional structure, delimitation maps, etc," Ivanov said.

Asked whether the Geneva meeting discussed President Yeltsin's initiative to set up a working contact group on a settlement in former Yugoslavia with representatives of Russia, U.S. and European Union to take part, Ivanov said: "It was agreed that U.S. state Secretary Assistant Richard Holbrooke, Co-chairman of International Conference on Former Yugoslavia from EC Carl Bildt, and a Russian representative (First Deputy Foreign Minister Ivanov — IF) will continue active work in parallel but in close coordination, too."

Ivanov also reported that the Contact Group members "had drawn up a time-table of sessions."

"The first session with Bildt to take part will be held at the Russian Office of the Geneva-based UN headquarters next week, on Thursday or Friday, and the next session will be held in a week's time, probably in Moscow," Ivanov reported.

Condemns 'Power Methods'

LD0809151295 Moscow ITAR-TASS in English 1449 GMT 8 Sep 95

[By Konstantin Pribytkov]

[FBIS Transcribed Text] GENEVA, September 8 (Itar-Tass) — The Russian representative at the talks on the Yugoslav settlement under way in Geneva condemned power methods in solving Bosnian problems. The head of the Russian delegation, First Deputy Foreign Minister Igor Ivanov noted that Moscow does not agree to such methods, Itar-Tass learned from diplomatic sources. He said the settlement should be sought through negotiations and further aggravation of the situation should be prevented.

Ivanov set out the Russian stand at the plenary meeting, in which in addition to representatives of the five countries of the Contact Group foreign ministers of Bosnia, the Union Republic of Yugoslavia and Croatia participate.

According to the information from diplomatic circles, the delegations now work on a document which will reflect the general principles of territorial delimitation and constitutional structure of Bosnia. The point on powers of the two future territorial formations of the republic has been coordinated on the whole in the morning. It is planned, specifically, that the Serbian and the Muslim-Croatia formations will have equal rights and will be able to form special relationships with neighbour countries. The term special will apparently require further debate. An agreement was also reached as regards guarantees of human rights for people of all ethnic groups.

In view of the fact that the final press conference is planned for Friday and that a great number of problems require solution, the participants in the talks believe diplomatic contacts should be continued next week. Quite possibly, they may decide to hold a new round of negotiations.

Deputy Foreign Minister Holds Talks in Belgrade

Seeks Early End to Air Strikes

LD0909193395 Moscow ITAR-TASS in English 1920 GMT 9 Sep 95

[By Ivan Ivanov]

[FBIS Transcribed Text] BELGRADE, September 9 (Itar-Tass) — "Russia will use all available means to ensure the earliest possible end to NATO air strikes on Bosnian Serbs," First Deputy Foreign Minister Igor Ivanov said on Saturday upon his arrival in Belgrade for talks with Serbian President Slobodan Milosevic.

In an interview with Itar-Tass, Ivanov stressed that NATO air strikes on Bosnian Serb positions are "unjustified and go far beyond the decisions adopted by the U.N. Security Council and therefore should be stopped."

He noted that "if these air strikes continue, the Russia side will make respective conclusions as to who is interested in a negotiated settlement of the crisis and who is not."

Ivanov arrived in Belgrade from Geneva where he had attended a meeting of the foreign ministers of

Yugoslavia, Croatia and Bosnia, and Contact Group members on Friday.

Summing up the results of the meeting, Ivanov said "we achieved the most important goal — all parties to the conflict agreed to accept the basic principles of the Contact Group's peace plan."

"Thus we can say today that the peace plan has been approved by all sides. The biggest challenge now is to begin its practical implementation. And the termination of NATO sir strikes is the first prerequisite," he added.

Asked if an agreement was reached in Geneva to allow Bosnian Serbs to form a confederation with Yugoslavia, Ivanov said "we agreed fundamental principles of settlement. All other issues are subject to further negotiation. But most importantly, Bosnian Serbs will have the same rights as the Muslim-Croatian federation. A confederation will be a subject of future discussions."

Asked if the international community recognised the Bosnian Serb Republic de-facto on Friday, as Belgrade and Bosnian Serb leaders claim, Ivanov said the document adopted in Geneva "is no legally binding and therefore it is early to talk about any conclusions concerning its content."

Ivanov said the negotiating process will continue in the near future. At the end of next week, Russia will chair a new meeting of the Contact Group experts in Geneva. The next meeting of representatives of Russia, the United States, Britain, Germany and France will take place in Moscow.

Mladic Ready To Make Concessions

LD1009110595 Moscow ITAR-TASS World Service in Russian 0945 GMT 10 Sep 95

[By ITAR-TASS correspondent Ivan Ivanov]

[FBIS Translated Text] Belgrade, 10 Sep (ITAR-TASS) — In the event of an immediate cessation of the strikes by NATO planes and by the artillery of the European Rapid Reaction Force against the Serbs in Bosnia, Ratko Mladic, the commander of the army of the Serb Republic, is prepared to agree to concessions, aimed at normalizing the situation in Bosnia-Herzegovina. The ITAR-TASS correspondent was told this today by Russia's Deputy Foreign Minister Igor Ivanov, who held three hour long talks in Belgrade with General Mladic on Saturday [9 September].

"General Mladic said that he is ready to start talks without delay with the commanders of the Muslim and Croat sides about a complete and unconditional cease-fire; to guarantee the delivery of humanitarian convoys and rear services support cargoes for the UN security forces in Sarajevo; to assist the soonest possible start of talks about opening the airport in Sarajevo for humanitarian supplies to all sides in the conflict; to ensure the unimpeded supply of Sarajevo with water, electricity, and gas; to guarantee that the army of the Serb Republic will not undertake any combat operations, apart from cases of essential self-defense," Ivanov said.

In his opinion, "everything said by General Mladic shows that the Serb Republic is striving for a peaceful outcome".

Asked whether General Mladic is ready to withdraw heavy weapons to beyond a 20-kilometer zone around Sarajevo as demanded by NATO and the United Nations, the Russian diplomat said, "General Mladic told me that the weapons he today has under his command are needed to defend the Serbs. Talks on ending hostilities in Bosnia could include the question of a balance of forces between the sides, but not to the detriment of any of his armies."

Regarding the possibility of stopping NATO bombing raids against the Bosnian Serbs, Ivanov said that after taking part in the Bosnia peace conference in Geneva on Friday and during his brief visit to the Yugoslav capital he had formed this opinion: "NATO wants to stop the air strikes but does not know how. Therefore, General Mladic's proposals give the West a chance to make a proper assessment of them and sit down at the negotiating table."

UN Envoy Attends Emergency Security Council Meeting

NATO Committing 'Gross Violations'

LD0909055295 Moscow ITAR-TASS World Service in Russian 0202 GMT 9 Sep 95

[By ITAR-TASS correspondent Boris Sitnikov]

[FBIS Translated Text] United Nations, 9 Sep (ITAR-TASS) — NATO has committed five gross violations of UN Security Council resolutions by willfully unleashing a war against the Bosnian Serbs, said Sergey Lavrov, the Russian Federation's permanent representative at the United Nations. He was speaking on Friday [8 September] evening at an emergency meeting of the Security Council.

"Procedures for the use of force in Bosnia-Herzegovina agreed at the Security Council were seriously breached this time. First, no necessary consultations with Security Council member were held, as required by Resolution 844. This is all the more inadmissible because it is a question of a fundamental change in the nature of the use of force. However, unlike on previous occasions, this time Security Council members were only notified of this after the fact," Lavrov said.

"Second," he went on, "this time air and artillery strikes were disproportionate and applied on a wide scale, whereas before this there had been a different understanding on this matter at the Security Council. We know that the issue was agreed at the NATO Council, but the Security Council did not make any decisions on altering the principle of proportionality in the use of force.

"Third, we were surprised to learn from some high-ranking officials at the UN Secretariat that the 'double key' procedure had undergone a fundamental change and the United Nations could no longer turn its 'key' unless NATO did the same," the Russian representative said.

"Fourth, we have learned from the mass media the other day about a statement made by a spokesman for the UN Protection Force on the existence of a certain memorandum on understanding between NATO and the United Nations on the use of air power. Neither the Security Council nor the countries supplying the contingents, at least not Russia, were familiarized with the memorandum. Meanwhile, as we learned from the press again, the area in which force can be used, as set out in the memorandum, extends beyond the boundaries of Bosnia-Herzegovina and covers areas of adjacent states. Moreover, it appears that it also contains other fundamental changes in the approach to NATO operations in Bosnia-Herzegovina.

"Fifth, the Rapid Reaction Force's active participation in neutralizing Serbian fire emplacements obviously oversteps the bounds of the mandate set in Security Council Resolution 988. It is no longer a question of protecting UN personnel and humanitarian convoys, but of effectively participating in the military operations mounted by one of the parties," Lavrov emphasized.

Having heard the convincing arguments put forward by the Russian representative, the Western countries did not even bother to go into them carefully, but rejected them out of hand, all singing in unison to the same tune: "NATO actions were lawful and justified." Russia was only supported by China and Nigeria.

Air Strikes 'Undermine' Peace Process

LD0909055195 Moscow ITAR-TASS World Service in Russian 0150 GMT 9 Sep 95

[By ITAR-TASS correspondent Boris Sitnikov]

[FBIS Translated Text] United Nations, 9 Sep (ITAR-TASS) — "Continuing strikes by NATO aircraft and the artillery of the Rapid Reaction Force against the Bosnian Serbs overstep the bounds of UN Security Council resolutions and alter the peacekeeping nature of the UN operation in Bosnia by drawing the international community into the conflict against one of the parties. No other logic can be discerned in NATO actions apart from the logic of punishment," Sergey Lavrov, the Russian Federation's permanent representative in the UN said on Friday [8 September] evening addressing an emergency meeting of the Security Council.

"The Russian Federation has demanded that an official meeting of the Security Council be convened urgently in order to reiterate once again its principled approach to the sharp deterioration of the situation in Bosnia-Herzegovina as a result of wide-scale bombings of the Bosnian Serbs' positions by NATO aircraft. We reiterate our insistence that the use of force be stopped immediately," Lavrov noted.

"Russia's position was formulated clearly in the recent statements made by Russian Federation President Boris Yeltsin and by the Ministry of Foreign Affairs of the Russian Federation. We are firmly convinced that continuing strikes by NATO aircraft and the rapid reaction force against the Bosnian Serbs undermine rather than reinforce the efforts aimed at reaching a political settlement," the Russian representative said.

Demands Informing World of Bomb Damage

LD0909082295 Moscow ITAR-TASS World Service in Russian 0206 GMT 9 Sep 95

[By ITAR-TASS correspondent Boris Sitnikov]

[FBIS Translated Text] United Nations, 9 Sep (ITAR-TASS) — Sergey Lavrov, the Russian Federation's permanent representative at the United Nations, at an urgent meeting of the UN Security Council yesterday night [Friday 8 September] demanded that the world public be immediately advised of the damage inflicted on Bosnian Serbs as the result of the NATO bombings.

"Can this planned multi-day destruction of the Bosnian Serbs' military potential be called the 'holding back' which is mentioned in the Security Council's Resolution 836? It is not military facilities only that are the targets of bombings but also infrastructure, bridges, communication lines, including civilian facilities, too," the Russian representative noted.

"The Russian Federation's delegation has not yet received any answers to its questions about the damage inflicted by the bombings, about casualties, including civilian casualties. We insist that such data should be immediately passed on to the Security Council," Lavrov stressed.

Foreign Minister Kozyrev Continues Visit to Belgrade

'Mature Cooperation' Praised

LD0809125195 Moscow ITAR-TASS in English
1228 GMT 8 Sep 95

[By Vladimir Abrosimov and Andrey Urban]

[FBIS Transcribed Text] SOFIA, September 8 (Itar-Tass) — Russia and Bulgaria enter a period of "mature cooperation," characteristic, above all, of an account for national and state interests, immune to ideological tenets, said Russian and Bulgarian foreign ministers Andrey Kozyrev and Georgy Pirinskiy, speaking at a news conference on Friday while summing up the results of a "constructive and fruitful" (in their opinion) dialogue in Sofia.

The head of the Russian Foreign Office said that this dialogue will be continued during a Moscow visit by Bulgarian Prime Minister Zhan Vedenov on September 18 who was invited by Russian cabinet head Viktor Chernomyrdin.

The minister stressed that "Bulgaria continues to be among top foreign policy priorities of Russia."

Kozyrev's visit coincided with a sharp deterioration of the situation in Bosnia. In this connection, the two ministers advocated continuation of the political process, guided by firm conviction that only this road leads to a balanced, just, comprehensive and lasting settlement of the crisis on the basis of talks.

In the opinion of the ministers, movement to a political settlement should go parallel with lifting of sanctions against the Union Republic of Yugoslavia.

The sides paid much attention, during the Sofia dialogue, to creating new architecture of European security. They emphasised that it is impossible to permit the emergence of new delimitation lines in Europe during this process. It is very important to develop jointly a model for general and comprehensive security in a Europe of the 21st century.

Asked about his attitude to the North Atlantic alliance in this connection, Kozyrev expressed opinion that, as air raids in the area of Sarajevo show, NATO has to do still much to adapt itself to the new situation.

This means, above all, that nobody in Europe can act unilaterally, without taking into account interests of other states, including Russia.

Extolls 'Exchange of Opinions'

LD0809121995 Moscow Russian Public Television First Channel Network in Russian
1100 GMT 8 Sep 95

[From the "Novosti" newscast]

[FBIS Translated Text] Bulgarian Prime Minister Zhan Videnov will visit Moscow 18 September. This was stated by Russian Foreign Minister Andrey Kozyrev today at a final news conference on the results of his official visit to Bulgaria, during which the subject of a settlement in Bosnia dominated.

[Correspondent Dmitriy Golovanov] In Sofia NATO's bombing strikes on Bosnian Serb positions in Sarajevo sound as a warning echo. It is a stone's throw, as they say, from here to the Yugoslav border, and just a hundred or so kms to the area of the conflict.

And the first visit by Russian Foreign Minister Andrey Kozyrev to Bulgaria was, of course, not free from the influence of recent events in Bosnia. At Sofia airport Andrey Kozyrev said that the exchange of opinions on Bulgarian soil would not only help to reveal the potential of Russian-Bulgarian relations, but also to correctly point a way out of the Balkan deadlock.

Bulgarian Foreign Minister Georgi Pirinski and Andrey Kozyrev examined problems of security on the old continent in the broad aspect — the European house in the 21st century. The positions of Moscow and Sofia coincide in many ways when it comes to a European collective security system.

Bulgarian President Dr. Zhelyu Zhelev received the Russian foreign minister who conveyed to him the Russian president's personal greetings. There was also a meeting between Bulgarian Prime Minister Zhan Videnov and Andrey Kozyrev. [video shows street scenes in Sofia, Kozyrev alighting from plane and meeting with officials; cuts to show Kozyrev being interviewed by correspondent]

[Begin recording] [Golovanov] Minister, did your meetings in Sofia reaffirm the correctness of Russia's foreign policy course in the Balkans — by that I mean the conflict in the former Yugoslavia and whether there should be any adjustments to this course?

[Kozyrev] I believe that our meetings convince us that in the Balkans we have adhered to a line despite all of the difficulties — despite the crisis — a line of active, but at the same time, of carefully balanced participation and the closeness of the accord in the positions of Russia and Bulgaria. You will be aware that here in Bulgaria, in particular, and in Moscow we express great doubts and we are expressing our acute indignation at the bombing strikes and at strong-arm approaches, in order to return the situation to an exclusively peaceful channel. [end recording]

Calls Visit 'Fruitful'

LD0809103995 Moscow ITAR-TASS in English 1015 GMT 8 Sep 95

[By Vladimir Abrikosov and Andrey Urban]

[FBIS Transcribed Text] SOFIA, September 8 (Itar-Tass) — Russian Foreign Minister Andrey Kozyrev who completed his visit to Bulgaria, departed from Sofia for the Greek city of Saloniki on Friday. He was seen off by his Bulgarian counterpart Georgi Pirinski, Russian Ambassador Aleksandr Avdeyev and other officials.

Summing up the results of "fruitful negotiations" (according to common appraisal), the two ministers were unanimous in the opinion that Russia and Bulgaria enter a period of "mature cooperation", distinguishing, above all, for an account of national and state interests, immune to ideological tenets.

Kozyrev was received by President Zhelyu Zhelev and cabinet head Zhan Videnov during his visit.

Kozyrev Arrives in Greece on Official Visit

Backs New Initiatives on Bosnia

LD0809193795 Moscow ITAR-TASS in English 1701 GMT 8 Sep 95

[By Yuriy Malinov, Vladimir Malyshev, and Andrey Urban]

[FBIS Transcribed Text] SALONIKA, September 8 (Itar-Tass) — Russian and Greek foreign ministers on Friday expressed concern over the five-year-long Bosnian bloodshed saying the development of the crisis jeopardised the security of Europe and even the Mediterranean.

The settlement to the conflict can be achieved by solely political means in accordance with norms of international law and the U.N. resolutions, Russian Foreign Minister Andrey Kozyrev and his Greek counterpart Karolos Papoulias said in a joint statement signed upon completing bilateral talks in Greece.

No party to the conflict may try to gain unilateral advantages both from the existing situation and the future developments, the statement said adding that any long-lasting and coordinated settlement to the crisis should be based on respecting the existing borders and protecting human rights and rights of national minorities.

The two ministers backed new diplomatic initiatives aimed at resuming negotiations involving all concerned parties and welcomed the announced meeting of Bosnian, Croat and Yugoslav foreign ministers in Geneva.

They also said they stuck to the guidelines of a contact group peace plan and urged all parties of concern to focus on possible ways out of the crisis and lift sanctions against Yugoslavia.

Papoulias appraised an initiative to convene a peace conference earlier brought in by the Russian President Boris Yeltsin, and Kozyrev noted that Greece's involvement in such summit would be of importance.

Russia and Greece, both well-aware of regional problems, will do every effort to facilitate the achievement of peace in the former Yugoslavia and the region's economic revival, the document stressed.

Speaking to the press, Kozyrev said that Russia and Greece would join in efforts to promote a solely political settlement to the crisis in Bosnia and Yugoslavia on the whole. "They will have to heed to us, as we know the situation and we are speaking responsibly both when objecting NATO air-strikes and when bringing in proposals on political settlement," he said.

Touching upon the countries' bilateral relations, Kozyrev said that Yeltsin had adequately defined a strategy of Russian-Greek cooperation development in political, economic and other fields. This course proves its viability, as the partnership works and brings fruit, he stressed.

Papoulias highly appraised the state of relations between the two countries. He also said that Kozyrev was among the most energetic political figures who did make efforts to settle the Bosnian crisis by peaceful means.

Meets Greek Prime Minister Papandreou

LD0809145695 Moscow ITAR-TASS World Service in Russian 1213 GMT 8 Sep 95

[By ITAR-TASS special correspondents Yuriy Malinov, Vladimir Malyshev, and Andrey Urban]

[FBIS Translated Text] Salonika, 8 Sep (ITAR-TASS) — Today Greek Prime Minister Andreas Papandreou received Russian Foreign Minister Andrey Kozyrev, who is here on a visit.

Bilateral relations as well as international problems were discussed. The main attention was paid to the situation in Bosnia. Among economic problems, the sides discussed, in particular, issues relating to the plan of constructing the Burgas-Alexandroupolis oil pipeline, through which Russian oil could be supplied to the Mediterranean bypassing the Bosporus and Dardanelles.

Signs Agreements; Departs

LD0909184495 Moscow ITAR-TASS in English 1828 GMT 9 Sep 95

[By Yuriy Malinov and Vladimir Malyshev]

[FBIS Transcribed Text] SALONIKA, September 9 (Itar-Tass) — Russian Foreign Minister Andrey Kozyrev ended his visit to Greece and left for Moscow on Saturday.

Kozyrev and the Greek leaders discussed international issues and the development of bilateral relations.

The Russian and Greek foreign ministers signed a joint statement on the Balkan crisis in which they stressed that the Yugoslav conflict should be settled only by political means.

Russia and Greece also signed an agreement to open general consulates. Under the agreement, Greece will open consulates in St. Petersburg and Novorossiysk and Russia will open a consulate in Salonika.

Daily: New Confrontation With U.S. 'Unlikely'

MM0809123195 Moscow SEGODNYA in Russian 8 Sep 95 p 9

[Report by Yevgeniy Bazhanov: "Moscow and Washington: After the 'Honeymoon.' There Will Be No Separation Should Even Zyuganov or Zhirinovskiy Come to Power"]

[FBIS Translated Text] Russia and America are long past their "honeymoon" and problems are more and more marring the coexistence of the two giants. What are the reasons for the cooling-off in relations between Moscow and Washington, and how will their interrelations be built in the future?

Mutual Disenchantment

The relations between Russia and the United States are negatively affected by their disenchantment with each other over the results of their cooperation. Originally Russian democrats regarded the United States as a political and ideological ally, ready to facilitate the success of reform in Russia. The Americans' current behavior is seen as treachery. As a result, both sides feel profoundly hurt.

A similar story has occurred in the sphere of economic cooperation. In 1991-1992 the Russian leadership saw the United States as the main donor for reform. Now the Americans are being criticized in Russia for failing to live up to these expectations. Loans are limited and restrained by a whole set of conditions. Technology transfer is hindered by legislative obstacles. But when Moscow tries to earn by exporting its own technology, it is seized by the wrist (like, for instance, in the case of a nuclear deal between Moscow and Tehran). The Russians' complaints, however, are no more warranted than those made in the United States against the Russian partner: Loans and credits disappear into the pockets of bureaucrats and criminal bosses; the country's investment climate is unattractive; and Russian technology transfers to extremist regimes create a threat to peace and stability.

Russia is also disappointed that the attempts to copy the U.S. development model have led to many negative consequences. U.S. advisers are accused of either incompetence or bad faith. In response the advisers complain about the muddle-headedness of the Russian authorities.

Divergence of Interests in International Politics

In Russia, an aspiration to reintegrate the post-Soviet space is growing, as well as the conviction that otherwise it is next to impossible to cope with a pile of problems inherited from the union state. Moscow believes that reciprocated interest in particular forms of reintegration is growing in the "near abroad." Washington for its part suspects Russia of reviving imperial ambitions and so encourages a reorientation of post-Soviet states from Russia to other partners.

Neither do Moscow's and Washington's objectives fit in with each other in Eastern Europe. From the point of view of the majority of politically aware Russians, if their former "comrades in arms" from the Warsaw Pact join NATO, this will lead to Russia's isolation from the rest of Europe and a new division of the continent, jeopardizing peace and Russian reform. As relations between Moscow and Washington cool off and as Russia's prospects "become blurry," the United States is increasingly willing to accommodate the East Europeans' ambitions. Also obvious are the differences in the Kremlin and White House positions on the "hot spots" in Yugoslavia, the Middle East, and Korea. The two capitals take a different view of China, India, Iran, and many other countries.

Unequal Partnership

Complaints are often heard in Russia that the United States looks on Russia as a secondary partner, omitting to consult the Kremlin on key problems, interfering in Russia's internal affairs, subjecting Russians wishing to visit America to visa discrimination, flooding our space with specimens of inferior "mass culture," placing Russian mass media under U.S. control, and so forth.

The situation looks unacceptable to many Russian politicians. The Yeltsin administration shares the concern over the Fatherland's shaken prestige. Lately almost any statement by the president contains a reference to the greatness of the Russian state. Moscow refuses to rubber-stamp Washington's initiatives. In insists on participation in resolving all major international disputes and seeks to work out its own distinct position on each of them.

The United States is annoyed by Russia's great-power ambitions. Washington has indeed gotten accustomed to viewing Moscow as a junior partner because the Kremlin has not just once resorted to America's patronage in fighting internal opponents. And also because the United States renders Russia economic aid. Moscow's willful behavior in the international arena is perceived in the U.S. capital as evidence of ingratitude and unreliability.

Prospects

It is unlikely, however, that the two powers should plunge into an abyss of new confrontation even if Zyuganov Communists or Zhirinovskiy Black Hundreders come to power. Both will prefer to live in peace with America.

First, Russia cannot afford confrontation with the United States from the purely military point of view. Our army is inferior in training and equipment. The United States also has the geostrategic factor on its side: To the west, Russia is blocked by U.S. allies.

Second, to keep its economy afloat Russia needs access to the West's financial and technological resources and to its commodity markets. A quarrel with America is fraught with the loss of indispensable economic partners.

Third, Moscow and Washington are no longer divided by an unbridgeable ideological chasm, as was the case in the Communist era. Whatever Zyuganov and Zhirinovskiy might be saying now, there is nothing they can offer the Russians except a Western model of evolution. And this being so, there are no reasons for an all-out confrontation between Russia and the United States.

Neither are the Americans eager to resume confrontation with Russia. The "Cold War" drained them too. Even if an extremist takes the helm in the Kremlin, the United States will hardly hasten to quarrel with him. The main thing is that an extremist should not turn into an aggressor. And should he "tighten the screws" a little within Russia, Washington would only welcome that. After all, a chaotic, ill-managed, and unpredictable Russia arouses growing concern both in the United States and among its allies.

U.S. ABM Move Undercuts Thinking on Arms Treaties

MM0809141795 Moscow KRASNAYA ZVEZDA in Russian 8 Sep 95 p 3

[Article by Vladimir Feodosyev: "What Will U.S. Senate Decision Lead To?"]

[FBIS Translated Text] On 3 August the U.S. Senate voted to develop [sozdaniye] and deploy an ABM defense system by the end of 2003 and to allocate the corresponding appropriations for this purpose. The development of an ABM defense for the country's territory is banned under the ABM Treaty of 26 May 1972.

The ABM Treaty, which has reaffirmed its viability for almost a quarter of a century, is still the basis of strategic stability and a key element in the entire present-day system of nuclear arms reduction. If Congress upholds the Senate decision, which contravenes the ABM Treaty, the two nuclear superpowers' achievements in building mutual security, achieving disarmament, and cutting military spending will be called into question.

It is planned to complete the examination of the bill in Congress this September. Opponents of this sharp change in U.S. policy — both among the lawmakers and within the administration — reckon that it will prove possible to amend the bill in the process of coordinating positions. It is expected that provisions which already directly and unambiguously point to a U.S. withdrawal from the ABM Treaty in the very near future will be removed from it. But even the most optimistic among them do not think it will be possible to influence the basic idea behind the bill — the revival of the policy of developing an ABM system for U.S. territory.

The Senate bill proposes the allocation in fiscal 1996 of targeted appropriations of $300 million for work to develop a territorial ABM system. The work will be carried out over a number of years while the ABM Treaty is formally observed. But in the future, when the treaty framework becomes too restrictive to allow implementation of the program, it is envisaged that the United States will return to the question of its revision, using the negotiating process or — and this is not being ruled out — unilaterally withdrawing from the ABM Treaty on the pretext of a threat to its national security interests.

Judging by official statements, a new challenge has allegedly been thrown down to U.S. security — the threat of a missile attack by third countries. People usually mention Iraq, Iran, Libya, and North Korea. And few people are embarrassed by the fact that these countries do not have and will not acquire in the foreseeable future intercontinental missiles able to deliver even hypothetical strikes against U.S. territory.

The threat of missile strikes by states opposed to the world community does in principle exist. Russia and the United States are united in the belief that the ABM Treaty should not prevent the development of effective systems to combat tactical and operational- tactical ballistic missiles. Talks began in 1994 on demarcating "strategic" and "nonstrategic" ABM systems, with the general understanding that such demarcation should not create avenues for the ABM Treaty to be circumvented. The mutual intentions of Russia and the United States were enshrined in a number of joint documents. But the discussion at the talks has shown up some profound differences in approaches to the resolution of these tasks.

The U.S. side is striving to push the so-called "demonstrated ability principle" — if ABM systems have not been tested against a ballistic target missile with a range of no more than 3,500 km and a maximum speed of 5 km/second, then they are not covered by the ABM Treaty. This means that it would be possible to develop and deploy all kinds of ground-, air-, or sea-based ABM systems with effectively no restriction on their actual performance.

Russia is insisting on the adoption of a comprehensive criterion for demarcation which regulates both the parameters of the ballistic target missile, the parameters of the actual ABM systems, and the procedure for their testing and deployment.

The United States accepts these proposals only insofar as they do not run counter to its own intentions — to develop specific systems and, in particular, systems which will make it possible to defend large regions and lay the groundwork for the development of an ABM system to cover the country's territory. Washington is clearly using pressure tactics at the talks. The United States has frozen the expert-level talks and is attempting to implement its intentions at top political level. It is avoiding any discussion of the specific military-technical issues preventing circumvention of the ABM Treaty.

Thus, there are no conceptual differences in the position of the Senate and the U.S. Administration, which has clearly changed under the influence of the Republican majority. We are talking about different plans for implementing the policy of developing an ABM system to cover U.S. territory. In the first instance there would be a direct revision of the ABM Treaty; in the second instance it would be covert (deferred).

At any rate, whether the Senate bill is passed in its initial form or whether it is "toned down" in the course of its further passage through Congress, Russia will have to make some difficult decisions. First and foremost, it will have to find answers to a number of questions. The first is how Russia's position regarding the START II Treaty should be changed, given that the deadline it sets for arms reduction coincides with the Senate bill's deadline for the development of phase one of an ABM system — 2003. It should be borne in mind that the START II Treaty already prompts some well-founded concern among some Russian legislators.

The second question is: Should Russia's position on the START I Treaty be changed, primarily as regards the accelerated timetable for its implementation?

And, perhaps, the most important question: What should be the level of defense sufficiency under present-day conditions and what kind of military-technical policy should safeguard it?

The fact is that international arms control treaties and agreements do not of themselves safeguard security. They ensure predictability and create the "framework" and the "rules" governing the development of the sides' armed forces and armaments. The yardstick for security is not declared intentions or political commitments — which can sometimes change, as could happen with the ABM Treaty — but the armed forces' real ability to repel potential aggression and the defense industry's ability to provide the army with weapons and military hardware equal to modern requirements and to do the scientific and technical groundwork making it possible to ensure an appropriate response to other countries' efforts to improve their weapons, to scientific and technical breakthroughs, or to any change in the military-political situation. The creation of this kind of scientific and technical potential is particularly important at a time of deep arms cuts, ensures the conditions for deterring a race in the sphere of qualitative arms improvements, and becomes an independent factor in state security.

The processes of arms reduction and limitation have not led to any tangible decline in military spending in the United States and the other highly developed Western countries. Moreover, the share of expenditure going directly to scientific and technical defense research is growing steadily. The facts show that military- technical

R&D is proceeding apace. Its results, particularly in the sphere of the development of high-precision "smart" weapons and new- generation information systems — including systems for tracking nuclear submarines and mobile missile systems — are capable of fundamentally altering the military-political situation.

Russia's defense potential today is being maintained primarily as a result of the safety margin that was built up in the past. The situation emerging around the ABM Treaty may not be the first, but it is the most notable consequence of the ever-accelerating processes of our scientific and technical lag when it comes to defense. It is still not too late to rectify this trend.

Political Issues

"Text" of Yeltsin's 8 Sep News Conference

LD0909120595 Moscow Russian Public Television First Channel Network in Russian 2215 GMT 8 Sep 95

["Text" of news conference by Russian President Boris Yeltsin with foreign and domestic correspondents at the Kremlin in Moscow on 8 September, moderated by Presidential Press Secretary Sergey Medvedev — recorded]

[FBIS Translated Text] [Yeltsin] Esteemed Russian and foreign journalists! Esteemed guests! Ladies and gentlemen! Today we have another meeting, and since there is no actual topic of today's news conference, this gives you a very wide field to put, so to speak, all kinds of nasty and other questions to the president.

It has to be said that the political situation is currently quite difficult, of course, and in a very short speech I shall outline a few thoughts about the political situation in view of the elections to the State Duma. Many political parties, movements and blocs are, of course, engaged in this and will be until the elections. They are going to become more vigorous and aggressive as the elections approach.

Later we shall have elections to local authorities. You know that the law on local self-government, which we were preparing for nearly two years, has now finally been signed. These elections are to take place in the beginning of next year. The third stage is the presidential election, due in the middle of next year.

It is obvious that this period will be full of turbulent events and turbulent relations between some people.

What certainly worries me in terms of the present election campaign for the State Duma is the fact that there are so many parties — 250 in all. True, people are trying to reassure me by saying that the same thing happened in Czechoslovakia, Poland, and Hungary — and yet these worries persist. It is true that only about 50 parties, movements, and blocs are taking immediate part in the election campaign, yet this division is there and it certainly weakens them; many of them will obviously not attain the minimum percentage of votes required by the Constitution and the law on elections.

You may, of course, ask me what my personal preferences are, what I as president think of these elections, and what part the president is taking in these elections to the State Duma. Well, first of all, in political terms, of course, I am not going to take any part. As president, I am the guarantor of the elections to the State Duma and I have to ensure that they are held on equal terms for all the movements, parties, and voters, and so on and so forth; to ensure that they are held in a calm atmosphere, without any fighting, throwing of glasses and so on. This is my job.

I will, of course, support to some extent those movements, parties, and blocs that advocate in their manifestos further democratization in Russia, continuation of reforms at a faster rate, and, of course, social protection for the people. If, however, some parties use anticonstitutional slogans in their manifestos, speeches etc., I will of course not support those parties, and moreover, criminal proceedings will be instituted against them. This is unlawful and runs counter to our Constitution.

I have, of course, strong reservations about the possibility of criminal elements becoming Duma deputies. Through bribes and various kinds of activities, criminal elements — both organized and unorganized — could get into the State Duma and this is, without doubt, very dangerous under any circumstances. One would like our new State Duma, which is about to be elected after the old one which has reached the end of its constitutional term, to be a calm and civilized one and to work in a civilized way, without any buffoonery, political shouting, and fighting.

After all, the legislators will have a lot of work to do. We are short of laws on combating crime, on banking, on judicial reform, and so on and so forth.

There are still many laws facing the lawmakers, and the new State Duma must use this situation to get down to preparing and adopting these treaties.

Of course, I believe that the elections must be honest. Now, as for the economic situation, it is somewhat improving, although not greatly, and at present we cannot say that Russia has reached stabilization. But there are elements of stabilization, and this is confirmed by the following figures: last year inflation was at 17.5 percent at this time of the year, while today it is 4.6 percent. If last year the decline in output was 24 percent, today it is 3 percent, and there is even an increase in output in many industries. I think that by the end of the year industrial output will be generally on the increase.

I understand, and I do not wish to expound now on the Bosnian, the Yugoslav question, because you will surely have a number of questions on them which you will want me to answer. And in relation to Chechnya, again there will be questions and I will answer them. The last few weeks have been rather hectic and I have on my desk a number of serious publications, analytical reports which need to be seriously examined. Briefly, I am going on leave in the next few days and I think that during that time, it will be possible to work out a number of fundamental decisions with regard to future strategic matters and to consider the further development of our Russian Federation.

That, briefly, is my introductory speech and now I await your questions. I ask you to take your turn and the President's Press Secretary Sergey Konstantinovich Medvedev will announce who follows whom. Thank you.

The total duration of the press conference is one hour and 15 minutes.

[Medvedev] The president sets it at one hour and 15 minutes. We started at 1100, so you watch the time, and so will I. So, let us begin. Your questions, please.

[Semenov] Yuliy Semenov, Mayak: my question has to do with the coming elections. In your view, how far is the mood going to build up, will the radicals create tension, or will the moderate centrist forces manage to counter this, possibly with your help? Thank you.

[Yeltsin] I have to say that just before this period, I met with very many party leaders — on the left, the right, in the center and so on. Efforts to unite the democratic wing are not working out. Other democratic parties are not really rallying round Gaydar; so each party or movement prefers to present itself independently more or less, maybe some will nonetheless join forces at the last minute, because they want to see themselves, personally, in the upper lines of the list which is confirmed at a federal level. But, this is understandable in human terms, a party leader wants to be number one. After a party merger, he may become leader number two, or three, or four, or five, and not everyone would take it in his stride. Of course, this is going to be a hot campaign because no party or bloc has any significant advantage over the others, I think. Today, public opinion polls show that they all have — well, I won't bother about those with less than five percent — but, percentages like six, eight. Practically all blocs, parties and movements are in this bracket of five to eight percent, including Chernomyrdin's, Rybkin's, Zhirinovskiy's, the communists, the agrarians, the democrats, and so on and so forth.

So obviously it will be very, very difficult for anyone to get the edge over the others, and that situation, the analysis of that situation in the run-up to the elections themselves will probably drive some parties and movements to unite in order to ensure that the State Duma has some kind of a majority core. I understand that we have optimists such as Zhirinovskiy who says: I'll take at least 30 percent, but as the saying goes: Now you have your say.

[Kishkin] Nikolay Kishkin, TRUD newspaper. Boris Nikolayevich, you have already spoken about this in general terms, but I would like you to clarify the issue. Can you tell us now what forces taking part in the elections you are prepared to support actively, and are there forces which are frankly unacceptable to you? Thank you.

[Yeltsin] I would not like to be specific — the president shouldn't do that. If there is a party which does not impress him by its personal convictions, its democratic convictions, and so forth, he should not make the choice: "No I will not support them, that party" provided it doesn't have anti-constitutional slogans in its program, in its speeches. I repeat: If there are anti-constitutional slogans, we will institute legal proceedings against them and will dismiss [their leaders] — naturally, not by me personally but by the bodies authorized to deal with such matters. Such is my attitude. And as for my personal sympathies, I have already said: they lie with parties, movements and blocs that are for reform, for the democratization of Russia, for social justice, for giving priority to social policy.

[Natalya Salnikova] Boris Nikolayevich, how do you feel about the decision by the prosecutor general to end the criminal case on the events of 3-4 October 1993 and about the commentary of a high-ranking staff member of the prosecutor general's office to the effect that both sides are guilty for what happened?

[Yeltsin] I will treat this as two questions. The answer to question one is this. There was an amnesty. They were all amnestied. So it is pointless to continue that case since they have been amnestied. The second thing — the commentary — in my opinion, is very, very unfortunate and I do not support it, all the more so at such an official level, you see. They ought not to have done anything like that. Political commentary is not in their line of business. [sotto voce to Medvedev] Let foreigners ask some questions.

[Nikolay Svanidze, Details, Russia TV] Boris Nikolayevich, when and in what circumstance do you intend to take a decision on putting forward your candidacy for the presidential elections in 1996 and when do you intend to make that announcement? What might influence that decision and, in particular, what result in the parliamentary elections might force you to take one decision or another? Thank you.

[Yeltsin] The outcome of the parliamentary elections cannot influence my decision. This is the first thing. Second, the day I will announce whether I will nominate myself or not — on no account should this be done before the elections to the State Duma. If I say "yes" it will provoke a big wave, and "no" will provoke an even bigger wave. Let this political campaign on the elections to the State Duma go on peacefully, let them forget the presidential elections for the time being. Let them not torment themselves. And next year I will make my announcement.

[Eileen O'Connor, CNN, in Russian] Boris Nikolayevich, if NATO bombing continues, will Russia quit the Partnership For Peace program and will you help the Serbs with arms?

[Yeltsin, smiling, after a long pause] This is a serious question. Right. Well, my first point is this. Sometimes Russia hears reproaches that it changes its attitude toward the Yugoslav crisis. Well, it is changing its position slightly, but the situation is also changing. The Muslims have not acted so aggressively before. The Croats have not captured new territories before. These positions did not exist before. One may ask: Why are the Croats seizing territories and conducting large scale combat operations? The Muslims have deployed 20,000 men against the Bosnian Serbs — there are no sanctions against them, nothing, they are not shelled, no questions are asked. Why only the Serbs? Well, it is true that a shell hit a safe area. Incidentally, there were also Russian peacekeeping troops in this safe area. Why then are only the Serbs being punished? Why are those who are engaged in provocations not being punished? They provoke the Serbs who start to retaliate, and then it is the Serbs who are punished.

The next point is that the first air strikes were — well, they were not exactly UN sanctions — I would not call them UN sanctions. A sanction imposed by the United Nations means that the UN Security Council holds a sitting and takes the relevant decision. The Security Council did not convene this time, did not make any decisions. And nobody bothered to ask Russia at all. Is it admissible in a civilized world? Provided there is a wish to settle the issue peacefully, is it admissible?

These bombings are inadmissible. And, given our relations, Russian-Serbian relations, we should respond to the actions of the Croats and the Bosnian Muslims appropriately and help the Serbs. We are already helping in humanitarian terms — I have already signed a law to this effect, and we are going to increase our help. And then, if these actions continue, we will have to see — it might lead to a more heated situation. That is why I have been warning and — for one-and-a-half years now — have been urging the entire international community to convene a peace conference with the leaders of the G-8 and the leaders of the Serb republics. Let us sit together and resolve this issue. I am convinced we will resolve it. And I call on everyone to convene in Moscow in mid-October. Well, if you do not like Moscow, let us do it in any other city or town in Europe.

Why are these matters being dictated from across the ocean, instead of being solved by the Europeans themselves? This is why I am opposed to NATO expansion. We have here the first indication of what might happen, the first. When NATO comes right up to the Russian Federation border — you can already assume there are two military blocs. Period. This will mean the restoration of what we had in the past: The Warsaw Pact plus one or two other states. These states will not be there, they might be in NATO, for example. But we will quickly establish constructive links with all former Soviet republics, which is already a bloc! And will two blocs help European security?

The concept, the principle of a Europe-wide security is being worked out and Russia has not been invited. Does this mean Russia is not in Europe? It's been in Europe for thousands of years, not for several years, like some states. It has been there for thousands of years and has no intention of leaving Europe — in fact, it intends to play a prominent role in Europe. So, I am satisfied that in the talks with Kohl just now, and with Chirac and with the leaders of the European Union, that they support the idea that Russia should definitely take part in working out a concept of European security. It is our opinion that NATO should not be a military organization. It should be a political organization. And Europe should have joint military forces with Russia, taking turns to be in command, first one country then another, as they do now in the EEC. And, please, Europe can always defend itself and repulse anybody. Europe along with Russia, of course [pauses] NATO is bombing the Serbs and we are being told to sit at the negotiation table with the NATO men and sign a treaty with NATO. Whatever for?

That will be a major political error by those who are now insisting on the expansion of NATO. You see, that will certainly lead to the conflagration of war erupting throughout the whole of Europe. And a political leader who stands up for expanding NATO as quickly as possible now has to have thought things out well and carefully. NATO is already showing what it is capable of: merely of bombing and then counting its spoils — the number of civilians killed!

[Medvedev] The Spanish radio station Onda Cero is asking: Mr. President, your yesterday's reaction to the NATO air strikes in Bosnia is regarded in the west as a statement intended exclusively for the Russian people. Will there be any further reaction from you to the bombing?

[Yeltsin] I have just voiced my opinion, for the world mass media to hear, and it was no less straightforward and perhaps even more vigorous than yesterday. And this is not my immediate emotional statement, like the one made yesterday after the talks — no, this is my real conviction. We categorically ... [changes thought] ... yesterday I signed a written statement which was circulated to all the mass media throughout the world and which was to the effect that we consider the bombings to be unacceptable. We want Yugoslavia itself to meet the contact group in Geneva today, and our representatives should participate in this, too. We want them to agree among themselves regarding the division of territory by percentage share. That is the most important thing. If they agree on this among themselves, a peace conference, if appropriate preparations are made for it, may enjoy success, after which the war in Yugoslavia may be stopped.

[Medvedev] Another question of the same kind was asked in writing, with slight variations, by the correspondents of the LOS ANGELES TIMES and of the ASSOCIATED PRESS. First: Why does the Russian state support Serbs so? Do you believe that an ordinary Russian citizen would also side with the Serbs? This is the question of LOS ANGELES TIMES, and ASSOCIATED PRESS develops the theme, asking whether this would not increase the tension between Russia and the west.

[Yeltsin] Well, and why do Americans support the Muslims? Does this increase any tension where America is concerned? Why do Germans support the Croats — and does this contribute to anti-German sentiments? We have had good links, good relations with the Serbs historically, since a long time ago. We have always supported each other, so why should we now leave them in the lurch? When they are in the wrong, we also agree that they are in the wrong. This actually occurred at a sitting of the Security Council about a year ago. As for the reaction of our general public, I will tell you this: One can of course cite various letters and telegrams and so on, but just look how many rallies and demonstrations there are, what a lot of indignation there is throughout Russia and in Moscow. Please defend the Serbs! Even the State Duma will be discussing this issue.

True, the politicians of the top echelon, and especially the president, should approach the issue in a sober frame of mind and be aware that we do not want any confrontation with the west. We want to agree with it and to sit down at the peace table of negotiations with the Yugoslav leaders, together, and to decide the question. That is what we want.

[Novozhilova] Natalya Novozhilova, Vladimir regional newspaper PRIZYV [THE CALL]. Recently, there have been reports in the press that the delay in payments, pensions, wages, not in all, but in certain places in the country, is due to the fact that they want to form a negative attitude toward the authorities on the eve of the elections. Who is responsible for these delays and are any efforts being made by your administration, by the government to level out the situation? Thank you.

[Yeltsin] The matter should be divided into two parts. The first thing is that the federal bodies are undoubtedly to blame. The government has not coped with the task of paying pensions and wages on time although Russia has money for this. Yesterday I signed a decree allocating, or to be more accurate, instructing the Central Bank to allocate, 2,000 billion rubles in order to fully, by 100 percent, resolve the issue of pensions.

However, there are also some people in the local areas, especially those heads of administrations who wish to be reelected, who are deliberately delaying wages in order to pay pensions and wages later, right after the elections. So, at present we have such people. There is a list of them and they will answer for this, and very seriously. We will solve this problem eventually, although it is not that easy. But we will solve it. I believe we have already found a solution to the pension problem. Now it is time to look for a solution to the wages problem. It is a disgrace to us. As regards the wage arrears, it is mainly the federal authorities and the government who are to blame.

[Slipchenko] Sergey Slipchenko, Russian public television. As a result of a tough financial policy ...[changes thought]...it will inevitably bring about an improvement in the social situation in the country. And naturally, millions of people are waiting for this. They will watch our news conference today and I want them to hear the words addressed to them. When can we expect this tough financial policy, the stability of this tough financial policy to appear?

[Yeltsin] Yes. It was announced in my annual address. I hope you remember that a though financial policy will be pursued, especially in the sphere of credits and so on. On the whole, this policy has led to a sharp drop in the inflation rate and the budget deficit — the deficit of the budget. But it may well be that we have gone a little bit too far in some respects. One must admit: One has to hold this tough line, but must not allow it to affect pension and wage payments. This is where the line should be drawn. Well, the inflation rate is 4.6 percent. Well, suppose it is 4.9 per cent? Would you be filled with indignation by this? You personally? No. Even I would not be indignant. After all, this is not last year's 17 percent. After all, is there a continuous movement and dynamics of inflation falling? Yes, there is. And these three tenths [of a percent] would have been enough to provide for the pensions. Do you see what I mean? That is, you can keep squeezing, but only so hard. And we had this serious discussion with the members of the government, including Chernomyrdin, that we must care for the population — and we are doing this not for the sake of the elections. It will take some time before people link these two things. But even in the government some people are so intransigent. [People say] No — it is all the same: let us be tough, press on, no concessions. But are wages and pensions concessions, after all? They are not special benefits to somebody. They are money earned by people.

I do not, of course, say I am entirely blameless. Pressure could have been brought to bear earlier upon the government, upon the chairman to resolve that problem as quickly as possible.

[Andrey Shtorkh, ITAR-TASS] Boris Nikolayevich, whether we discuss Chechnya or any other region of the Russian Federation, the problem of the admissibility or inadmissibility of subjects [subyekt] leaving the Federation is still a topical one. What is your attitude to that problem, and, as part of this question, do you consider that criminal proceedings should be instituted against persons calling for Chechnya's secession from the Russian Federation? Thank you.

[Yeltsin] What can my opinion be when I am the guarantor of the Constitution and it is written clearly in the Constitution that not a single subject of the Federation will leave Russia and should not even raise that question. Even [Eduard] Rossel [recently elected head of administration of Sverdlovsk region] who came to see me after the elections said: "I'm withdrawing these questions!. We will live together peacefully now in line with the Constitution of Russia!" Well, please do! We will be giving you more rights. As for treaties, we agree ...[changes thought]... We are now finishing with the republics now and we will start concluding treaties with the territories and regions from the point of view of demarcation of the functions of state power between the [center and regions].

And, if in our time, when it came to signing a treaty with Tatarstan, we didn't sign it — this process was a long one — and we didn't permit it to carry out [independent] international activity or have international ties, including economic ones, or conclude treaties, it agreed to this and it is keeping its word. True, it managed to slip one through with Abkhazia but they have apologized profusely — well, Abkhazia isn't an independent state, it's part of Georgia, but nevertheless, it's a violation of the treaty and so [Mintimer] Shaymiyev, [president of Tatarstan] and I had a serious conversation on that topic.

Therefore, it is inadmissible and I do not believe that this will happen. Nobody will leave Russia. Russia is, was and remains indivisible. And there is now a world formula for that question: any self-determination of nations, of national minorities and so on and so forth, should not lead to the dismemberment of the state. The state should be indivisible. That's the first part of the question.

The second part of the question concerns Chechnya. Our criminal code does not say anything about Chechnya leaving [the Russian Federation] or about [anyone] being brought to book for that. And a telephone call is not enough for a criminal sentence to be executed these days in our country.

[Medvedev] With regard to the talks being conducted by Russia in Chechnya, Ekho Moskvy is asking you this, Boris Nikolayevich: You have decided that more people need to be taking part in the talks in Chechnya if peace is to be achieved there. Who, in your opinion, might help in settling the conflict?

[Yeltsin] Well, the local elections will be later next year and the elections to the State Duma will be now. And, of course, we cannot leave this in the hands of the fighters, the criminals. We need to get the politicians there moving, but at the same time we have our federal authorities there, you know that a presidential envoy, Oleg Ivanovich Lobov, secretary of the Security Council, has been sent and is working there. And his team of specialists, of experts and so on, are involved in quite difficult work.

But, who can we talk with there? Well, first of all, Khadzhiyev and Avturkhanov are involved today. And I don't think one should discount Khasbulatov either. He has a certain following there, in Chechnya. So why keep recalling the past? Why not invite him and have a talk, so that he can be for the Russian Federation, so that he really ...[changes thought]... I think that he has become more sensible over this period. [Laughter; unidentified person says "Quite right"] Beyond that, there's [ex-chairman of the Chechen-Ingush Supreme Soviet] Zavgayev. He also has authority and following among a certain part of the Chechen population, why not bring him into it? That's already five people with whom we could have political, business-like talks, so that they take a more active part in this pre-election campaign now.

[Unidentified KRASNAYA ZVEZDA correspondent] I would like to return to the problems of financing, Boris

Nikolayevich, and I want you to regard my question as an expression of concern of many military in our country. Our army, our defense is going hungry. What is being done to improve the financing of the armed forces?

[Yeltsin] The deficit today is R3,000 billion. We will find R2,000 billion by the end of the year to clear debts and fully cover the budget expenditure. We are short of R1,000 billion at the moment, but we have to find it, we cannot treat the military like this. We cannot. If this situation continues for much longer, it may lead to the most serious consequences for Russia as a whole. Some people in the government do not realize this. They say, well, the military have a big budget, let them look in their own cellars. But their tasks are big too.

True, we are reducing their numerical strength. There were 1,700,000 men and now we are moving toward 1,500,000, reducing the army's numerical strength by 200,000 more. Nevertheless, their expenditure is large. In general, I am an optimist in the sense that before the end of the year we will fully repay the military our debt, I mean last year's debt and the one in this year's budget.

[Irina Rachkovskaya, ABC] U.S. TV company ABC. Boris Nikolayevich, if the Bosnian Serbs demand that Sarajevo be split into parts, will you support this demand? And have you got any direct means of influencing the current situation, apart from holding a conference? Thank you.

[Yeltsin] I do not support the idea of partitioning the town [Sarajevo]. Can you imagine how it would live if it belonged to two states at once? This is impossible — impossible. Therefore, I do not support this. Now to [my] influence on the Bosnian Serbs. When Milosevic came here, at my request, we agreed that he would try to take some steps aimed at finding common ground with the Bosnian Serbs and influencing them in some way. So they gathered — Milosevic, Karadzic and Mladic — General Mladic — and they drew up a protocol saying that they would act jointly, they would coordinate their actions, for instance, at the talks or a peace conference. Milosevic, I should say, is in a reasonably calm mood — he is not seeking a fight. He says: We are not going to fight, and that sort of thing. Therefore, I am pinning some hopes on their agreement, I hope that the Bosnian Serbs will not in the end insist on this [partitioning Sarajevo]. This will be determined to a considerable extent in Geneva today.

[Terekhov, INTERFAX] Boris Nikolayevich, are you sure that it will be possible to resolve all these issues at the conference proposed by you? After all, neither Russia, nor Russia's Foreign Ministry, nor the international community have been able to bring the conflicting sides to one negotiating table?

[Yeltsin] Well, you know, it would be a conceit on my part to say that I am sure of this. This situation is too subtle, and the peace conference may be a success in many respects if we interact with the Serbs and persuade them to come to the peace conference with a constructive approach; if the United States, who have influence over the Muslims, persuade them to take a constructive stance; if my friend Helmut Kohl exercises some influence on Tudjman, on the Croats and persuades them to participate in the peace conference and also to take a constructive attitude — then one could be sure that the conference would take place and would bear fruit. That is, Russia should not be alone in this. We say: The Americans have their own peaceful initiative — let us include everyone's positive proposals on the agenda of that peace conference. Do you see my point? We are proposing this peace conference not because we want to gain some political points from it, but because this is the top level we are talking about, there is no higher — God will not deal with these bloody affairs of ours. He deals with things like the christening of my grandson — I had him baptized yesterday.

[Unidentified voices] What name did they give him?

[Yeltsin] The name his grandfather chose for him, of course. Since one son of my younger daughter is already called Boris, the other one had to be called Gleb, after the other saint — Boris and Gleb are two Russian saints.

[Marina Chernukha, Radio Russia] Boris Nikolayevich, my question is connected with the Russian-Ukrainian relations. How realistic is the possibility of your official visit to Kiev this year and, accordingly, of the signing of a large-scale treaty between Russia and Ukraine?

[Yeltsin] I am surprised, of course, by the position of the Ukrainian president [Leonid Kuchma]. Although we have good relations, I would even say friendly, but all the time...[changes thought]... We met in Moscow, signed an agreement. A few days later — obviously he is under a lot of pressure there — he turned down this agreement. I say to him: Confirm this agreement, let's act in line with it and I will pay a visit to Ukraine the following day. Yet again, he has refused the documents we signed on the Black Sea fleet. What can we do?

We cannot go on being jerked in two opposite directions. Until all major issues have been settled, I will not pay a visit to Ukraine, with all my respect for Ukraine, its president, and its people.

[Medvedev] There are many questions from Georgian correspondents and even from the Georgian embassy. Their questions boil down to the following: Esteemed

Boris Nikolayevich, how do you assess the events currently taking place in Georgia's internal politics?

[Yeltsin] Naturally, I express my condolences in connection with what happened — a terrorist act, to put it straight. I am going to speak with Eduard Amvrosiyevich Shevardnadze at 1400 today. It is true that the situation there is heating up. His political enemies have emerged, who do not want him to be the president. Well, our stance is that we support Shevardnadze — he is the president at the moment. We enjoy good relations with Georgia. The only thing we want is that we should be involved in the signing of an agreement with Abkhazia. It will not be the right thing if Abkhazia breaks away from Georgia, if Georgia ceases to be one and indivisible. We are in favor of Abkhazia being a constituent part of Georgia. What status it should be given is a matter for the Georgian parliament and the leadership to ponder. But such a document should be signed, after all. We are gradually making some progress in this respect, all of us together. When I am on holiday in Sochi in September, we may find time to meet and discuss this subject. But I do think that the political situation there is becoming increasingly complicated.

[Correspondent] A lot of critical remarks have been made recently about the Prosecutor General's office. I would like to hear your opinion about the activities of this establishment in connection with notorious crimes that have not been cleared up.

[Yeltsin] I am aware of these facts against Ilyushenko, they were in the press, too. He denies these facts categorically and is filing a lawsuit. This is his own business. It is very unlikely that I will feel like recommending him once again to the post of Prosecutor General — a man whose reputation has been tarnished so badly. To my regret, he will know about this through the media.

[Correspondent of Lithuanian Radio] How do you assess the present state of interstate relations between Russia and Lithuania? Thank you.

[Yeltsin] Well, I have always had a personal liking for Lithuania's leaders. I visited all the three baltic republics more than once in my time, and you know that when military operations were being carried out there under Gorbachev, I flew there to protect you in one way or another. So, in a word, our peoples have been friends and they should remain friends. Therefore, a small fly in the ointment which appeared during the disintegration of the Soviet Union will gradually disappear and we will live in peace and friendship. Our working commissions are working, we are signing agreements and we are trading in accordance with them.

Well, of course, it is very unpleasant for us that Estonia is raising the border issue all the time. However, the situation has calmed down now since I visited this border, erected a border post there and said this border was inviolable, full stop. Why should we give our land away? We do not want any other land but at the same time we will not yield an inch of our own land — this was said a long time ago and not by me.

So relations are improving and, I think, they will be most normal and civilized.

[ASSOCIATED PRESS correspondent] Boris Nikolayevich, last week the remains of Tsar Nicholas II and his family were identified at a laboratory near Washington — this is probably the final identification. Do you think that they will be buried soon? Do you think this is necessary and where do you think they will be buried?

[Yeltsin] I think they should be buried by all means. As for where — the issue is being mooted, nothing happens in Russia without a discussion, but this is an advantage of a democratic society that people are not all saying one and the same thing. Some say they should be buried in St. Petersburg where all Romanovs are buried, and some suggest they should be interred in Yekaterinburg where they were shot. We shall discuss this for a little longer and then start acting. My opinion is that they should be buried in St. Petersburg where the rest of the dynasty is buried.

[Medvedev] A written question. The newspaper CHINESE YOUTH asks you, Boris Nikolayevich, what visits abroad you are planning for the rest of this year and whether you will attend the celebration of the UN's 50th anniversary in New York.

[Yeltsin] I will certainly attend, and make a speech, at the celebration of the UN's 50th anniversary this October — on the 22nd, I think — in New York. Our relations with China are developing very well, we have a good cooperation, exchange correspondence and compare notes on international affairs. I am planning a visit to China before the end of this year, among other things.

[Medvedev] Esteemed Mr. President, what is your opinion of the nuclear test carried out by France? This question is from the Asahi TV. French journalists, in particular LE MONDE newspaper, are asking the same question.

[Yeltsin] I have told esteemed president Jacques Chirac that it was a wrong decision. On the contrary, we are moving toward finally signing a treaty which will universally ban tests of nuclear weapons. This will be a beginning so that we can put an end to nuclear weapons forever. Because if there are no tests of nuclear weapons, accordingly, nuclear weapons will not be modernized and, if they are not modernized, they will become obsolete both technically and morally, that's all.

Therefore France's decision came simply as a surprise. I think it was wrong, even more so, since I do not think these were just scheduled tests; I suppose they may be linked to some new weapons.

In this connection, and also to sort out some other issues, I will fly to New York twenty-four hours earlier so that I can make a stopover in Paris and have at least one evening to talk to Jacques Chirac.

[Medvedev] There is a message from journalist Gisbert Mrozek, he works for the FOKUS magazine and RUFA agency. He is the husband of Natalya Alyakina who was killed in Chechnya. You all know what happened then. The message is rather long, I will give you the gist: Gisbert is asking about progress in the investigation. At first the case was passed to the military prosecutor's office and he is asking Boris Nikolayevich: Do you think that the military prosecutor's office should be disbanded so that the civilian prosecutor's office could work? This is his question.

[Yeltsin] First of all, please accept my condolences in connection with this tragic incident. Indeed the military prosecutor's office mishandled the case and therefore, at your request, the case was passed to our general prosecutor's office.

As for disbanding the military prosecutor's office in general, this question has not been raised and, of course, I cannot give a definite answer right now. I should ask advice of the military and prosecutors in general because this structure has existed for many decades.

[Medvedev] More questions, please.

[Unidentified correspondent] Mr. President, many people in Russia and in the Arab world think that the difficulties the Russian foreign policy is experiencing at present is a result of an unbalanced approach by the Russian Foreign Ministry. What is your opinion and do you think that the State Duma's request regarding Andrey Vladimirovich Kozyrev will be satisfied?

[Yeltsin] Since I checked the work of the collegium of the Foreign Ministry, Kozyrev is never here any more, he is flying around your part of the world all the time. On the whole, I am not satisfied with the performance of the Foreign Ministry. I convened the Collegium at which I told them in the face what their mistakes and blunders were and in what respects Russia was losing but because of the performance by the Foreign Ministry. If there are no changes, conclusions will be drawn.

[Medvedev] Another question in this connection from EL CORREO newspaper. Are you going to have government reshuffles if the Russia Is Our Home bloc performs badly at the elections in December?

[Yeltsin] These matters are not connected since it is not a government party. Chernomyrdin is its leader but the attitude to it varies, as it does to other parties and blocs. It is difficult to say at present how many votes it will receive. I said today that, according to opinion polls, they have about eight percent at present, perhaps they will receive 12 percent but not 30 or 40 and not a majority, of course. Chernomyrdin's work as chairman is not connected in any way with the election results of the Russia Is Our Home bloc, of which he is the leader. Although, in moral terms, he would lose a lot.

[Medvedev] More questions please. Well, while you are collecting your thoughts, there is another message. Do you think about God, Boris Nikolayevich?

[Yeltsin] About what?

[Medvedev] About God, the big one. Journalists from Tver have sent the question.

[Yeltsin] For half of yesterday that's all I thought about [laughter]. I attended a service. Then I took part in a religious procession, then went to my grandson's christening; that is, I just made it, right at the end, so that, God forbid, a different name would not be chosen in my absence. And just as Father Georgiy was about to say the name, I butted in with "Gleb" and he said "Gleb" and that was the end of it.

Of course I think about God.

[Medevdev] Boris Greshenko.

[Greshenko] Boris Nikolayevich, the questions are already becoming more sympathetic and toned down. Tell us, we recently heard that you have met your old classmates. It is always interesting to know what people say to the president, his sincerest friends, what do they say about him?

[Yeltsin] I do not think there has ever been a case like ours, where, having graduated from the Urals polytechnical institute in 1955, a group decides to meet every five years, and we have never missed a meeting, though this is 45 years on. and I have to say that most of them — 90 or 95-98 percent — take part. We help each other when necessary, materially. I, for example, have contributed a sum to someone who had to travel from Vladivostok to Moscow, even that can blow a hole in your pocket right away. And we've just been with friends in the Moscow region, for one and a half days. We talked, remembered old times. They spoke openly about the situation today. But, perhaps because I came up with the idea of these meetings — it was a good, interesting group, with a great sense of humor, so that was the atmosphere — there was no sharp criticism of the president by his classmates. They support him.

[Batygin] ROSSIYSKAYA GAZETA, Aleksandr Batygin. Boris Nikolayevich, here is another question about your everyday life: It's a long time since you had a proper rest. When do you intend to go on holiday and where do you intend to go, if it's not a secret?

[Yeltsin] I fly to Sochi from Vnukovo-2 on 10 September at 10 o'clock in the morning. I have no secrets from you.

[Medvedev] Sasha Nazarov.

[Yeltsin] Give a chance to that girl over there, she has been trying for a long time.

[Medvedev] Can the girl go ahead of you? Fine, he is letting the girl go first.

[Smolina] Inform TV, Channel 5, St. Petersburg, Irina Smolina. Boris Nikolayevich, the people has its view of the president, but they all know that you are a strong politician, a Siberian man, a family man, a tennis player. What would you add to this?

[Yeltsin] Should I also speak about negative aspects too? [laughter]

[Correspondet] No. Simply, what would you add yourself to complete the image?

[Yeltsin] No, I agree with what you said. [laughter, applause]

[Correspondent] Boris Nikolayevich, having embarked on the path of reforms, you probably knew that the wave of popularity on which you came to power may not last forever and may even change for the worse because reforms do not always go the way they are intended to. Now there has been a lot of talk about your ratings which decreased somewhat because of the seriousness of certain events.

[Yeltsin] You are behind on this. They went up slightly last month.

[Correspondent] That is splendid. Nevertheless, tell us please. The elections are imminent. Millions of people have put their hopes in you as a guarantor of democratic transformations. But you should be doing something. What do you intend to do to raise the rating of the government and your own personal ratings? In this connection, crime and economic problems are often mentioned. What is the main thing for you here?

[Yeltsin] Of course, I started to pay much more attention to the crime situation. You have probably noticed this from the media reports. I held a meeting with the collegium of the security service. I was at the Ministry of Internal Affairs, meeting its heads, and had a very terse and serious conversation with them. I have adopted a number of edicts, including one on setting up a center for combating terrorism, a major and powerful center. This work is now spread as it were, between the power ministries and all of them as a whole are not dealing with it at all, each in its ow little way. Therefore, to order someone, let's say, to organize an operation as the one in Budennovsk with a view of putting an end to Basayev — they were unable to do this, simply unable. This will be a powerful center, with strong, well-trained personnel, properly equipped, fully armed, well-trained and so on. The moment anything happened anywhere, they would be dispatched from this center right away. And it would be substantial in number with at least 1,000 men.

The fight against terrorism is being stepped up throughout the world. We need to stop this trend. Of course, to a certain extent it is also connected to the bandit illegal armed formations in Chechnya. In short, I understand people are mostly dissatisfied with the fight against organized crime at the moment. Therefore, we must pay more attention to what the people are dissatisfied with.

Of course, I do not intend to use populist methods. The time for those rallies are over. We live in the different times now. We need to act with deeds, which bring results and not with words. The new politicians who are coming now will still be mincing words. One of the leaders claims, for instance, his party will increase the size of the army from, say, 1.7 million to 5 million. Listen, this is not a serious statement. Russia will only lose everything in international terms, the ground it gained so far in maintaining a good peace dialogue with other states on the reduction of conventional and nuclear weapons, on partnership. In general this is the policy that we have been conducting with other states — the policy of partnership and not that of targeting missiles at each other. This is the most important issue.

Of course, we should not allow an extremist to come to power. This is one of the sensitive issues which I am worried about day and night. Such things can be very dangerous. They can be dangerous for Russia because Russia can be thrown back to its old positions which is unacceptable. Of course, I hope such a thing will never happen but we have to to worry about it and to take necessary precautions — I do not want to list them all here now.

[Medvedev] I should like to warn you our time is up.

[Yeltsin] Let's have another five minutes.

[Medvedev] Another five minutes, then.

[Voice from the audience] One question about the Cossacks.

[Yeltsin] Fine, go ahead.

[Medvedev] Go ahead. Switch on the microphone.

[Avdeyev] Can I start? Vitaliy Avdeyev. Boris Nikolayevich, a few days ago you signed the law "Temporary provisions for the register of the Cossacks". In Paragraph 1 the law says provisions are being made for Cossack communities which will not have service regulations and so on and so forth; inter alia they will carry no weapons. We all know that there are cold-steel arms and firearms. Can you imagine a cossack without a saber and without military training and discipline? And if so, then on what state service?

[Yeltsin] No, what I meant was firearms. If a technical mistake crept in, it simply must be amended. I meant firearms. No, I cannot imagine a cossack without a saber.

[Medvedev] Zaripov, KOMSOMOLSKAYA PRAVDA.

[Zaripov] Questions are becoming more and more detailed, Boris Nikolayevich. I would like you to express your views regarding discussion on the upper chamber of the Federal Assembly, the Federation Council, because opinions vary, as you know. Some say it should be appointed while others say it should be elected. Most of those who are there at present indeed were appointed, these are heads of administration and they are called "Yeltsin's men". What is your opinion, how should this dispute be resolved?

[Yeltsin] There are two questions here. The first is the elections of the heads of administration. I am allowing elections to those who want them, one by one:Rossel has been elected in Sverdlovsk region. Now I've allowed the election Polezhayev in Omsk region. So gradually I will allow these elections to be held because the democratization of society will lead us to having to do that everywhere.

At the same time in the law — incidentally, I didn't mention that the law on local self-government unfortunately has been ignored by the media. It hasn't been published anywhere. No explanations of it have been given anywhere. What sort of a law is that? And to consider things as they really are, it is the first democratic law of democratic Russia. Local independent self-rule, independent of the vertical, but dependent only on the population, and that is it. Do you see the importance of this? All the newspapers missed it. How is that? It is long, of course, not every newspaper will publish it. But why not write an article, give explanations, or give the main points? Why not discuss it or interview somebody in this respect? This is with regard to elections. Incidentally, the law says in six months all local bodies of power are to be elective. That is to say, in six months the posts of heads of administration and all the rest will be elective.

As for the Federation Council, taking into account that the law has been passed to and fro ... [pauses] the law itself is not in line with the Constitution. I asked the Constitutional Court to interpret Article 96 of the Constitution — what exactly is "the formation" of the Federation Council? The Constitution does not mention elections or electing, but says "formation". So in September I am going to issue an edict "On the procedures of forming the Federation Council." And that's it. Two persons from every constituent part of the federation - from the executive and the legislature of each constituent part of the federation. And, probably, four or five persons from the federal bodies of power. And that's it. Exactly to the letter of the Constitution.

[Medvedev] Last question, please.

[STOLITSA correspondent] Thank you. STOLITSA magazine, [name indistinct]. Boris Nikolayevich, going back to the subject of elections, a lot of pop singers, artists, people with extra-sensory perception are now appearing among politicians on election lists. Don't you think that because of that the next Duma may be even livelier than the current one? Thank you.

[Yeltsin] You know, parties submit their election lists. For example, a list contains 270 people but the whole Duma is only 450 people. And sometimes one party submits a list comprising 270 names. This is simply not serious. It will perhaps have, well, three, four, five, six, well, seven, 10 or 15 seats and, of course, among these 15 the leaders of the party who are in the top numbers will be elected. And they are including artists just to attract the voters. That's all. It's a deceit.

Are you tired? [laughter in the audience] You are not very active. Well, additional 10 minutes after an hour and 15 minutes have now passed. Let's finish now. I wish you success in your work. And, as always, we will meet again, we'll have regular meetings in the future. Goodbye and thank you.

Deputies, General Urge Yeltsin To Sign Balkan Law

LD0909125395 Moscow ITAR-TASS World Service in Russian 1120 GMT 9 Sep 95

[By ITAR-TASS correspondent Ivan Novikov]

[FBIS Translated Excerpt] Moscow, 9 Sep (ITAR-TASS) — State Duma deputies Konstantin Zatulin and Sergey Glazyev, and Lieutenant-General Aleksandr Lebed, leader of the Congress of Russian Communities, have urged President Boris Yeltsin to sign the law "On measures of the Russian Federation to prevent the genocide of the Serbian people on the territory of the Croatian Republic", which has been adopted by both parliamentary chambers, and to hold consultations with Ukraine, Belarus, and other CIS states to work out a coordinated position on the Bosnian crisis. At a news conference in the State Duma they spoke "about the threat to Russia from the West".

According to Aleksandr Lebed, "NATO's true face has been shown in the Bosnian crisis". The general believes that this military bloc "is holding Russia at gunpoint" and Russia, in his opinion, has been left without allies and without friends, and "only a nuclear shield can save it from aggression from the West".

"The Balkans are not the only threat to Russia", said Konstantin Zatulin, chairman of the Duma committee for CIS affairs and liaison with its compatriots. He explained that conflicts are intensifying in the Crimea and in Kazakhstan which, he said, could become "detonators for an explosion".

Zatulin expressed satisfaction with the position of the Russian president who is in no hurry to pay an official visit to Ukraine. [passage omitted]

In this connection, Duma committee head Zatulin believes that "it is better to have no agreements on the Black Sea Fleet than to have a bad one for Russia." In the parliamentarian's opinion, "its Western allies interest the Ukraine more than Russia does".

Yeltsin, Chernomyrdin Discuss Issues

LD0909135795 Moscow ITAR-TASS World Service in Russian 1327 GMT 9 Sep 95

[FBIS Translated Text] Moscow, 9 Sep (ITAR-TASS) — Russian President Boris Yeltsin today met with Prime Minister Viktor Chernomyrdin, the Russian president's press service told ITAR-TASS.

During the meeting they discussed issues related to the parliamentary pre-election campaign, a settlement of the crisis in the former Yugoslavia, and Russia's stand on this issue.

The main issue under discussion was the situation on the Russian financial market. Yeltsin and Chernomyrdin discussed concrete measures aimed at the timely payment of pensions and bringing in line payments at enterprises of the military and industrial complex.

The president and prime minister also discussed measures aimed at practically implementing the law on general principles of local self-governing in the Russian Federation. They also agreed on their stand with regard to elections of heads of local administrations in the components of the Federation and discussed problems of mutual relations within the framework of the CIS.

The meeting also covered in great detail problems related to the Black Sea Fleet and a further settlement of the situation in Chechnya.

Boris Yeltsin and Viktor Chernomyrdin touched upon some international problems and, in line with tradition, examined a number of cadre problems.

Foreign Ministry 'Studying' Yeltsin's Criticism

LD0809141095 Moscow INTERFAX in English 1314 GMT 8 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 8 (INTERFAX) — Russia's Foreign Ministry is "studying" President Yeltsin's critical remarks expressed during a press conference in the Kremlin Friday, a high-ranking Russian diplomat told INTERFAX on the same day.

He said the Foreign Ministry "fully agreed with Yeltsin's remarks and will make proper conclusions.

Yeltsin told the press conference that he was displeased with the Foreign Ministry's work.

He also said that during his latest meeting with the Foreign Ministry's senior officials he had outlined in clear terms all problems and issues which are putting Russia on the losing side through the Foreign Ministry's fault.

Yeltsin warned that if the Foreign Ministry leaders did not take his remarks into account, "corresponding conclusions will be made."

"The Foreign Ministry, led by Andrey Kozyrev, has stepped up its activity in the Balkan direction," said the diplomat.

"In this context, First Deputy Foreign Minister Igor Ivanov was sent to the joint meeting of the international contact group on Bosnia with representatives of the Organization of the Islamic Conference, held Thursday, and to the Geneva Conference of the foreign ministers of Yugoslavia, Croatia, and Bosnia and Herzegovina under the aegis of the contact group, which opened Friday," he went on to say.

He also said that the Yugoslav theme is at the center of talks conducted by Kozyrev in Bulgaria and Greece.

He noted, however, that the Foreign Ministry was not planning to "knock out any Orthodox Moscow-Sofia-Athens-Belgrade axis."

"A new division of Europe is inadmissible. If it occurs, it will not be our choice," he said in conclusion.

Acting Prosecutor Silent on Possible Resignation

LD1109090895 Moscow ITAR-TASS in English 0835 GMT 11 Sep 95

[By Tamara Zamyatina]

[FBIS Transcribed Text] MOSCOW September 11 (ITAR-TASS) — Russian acting Prosecutor General Aleksey Ilyushenko keeps silent on whether he would resign himself and avoids reporters after President Boris Yeltsin made it clear he no longer trusted him.

The press service of Ilyushenko's office told Tass Monday that their head had not shared his plans with colleagues and it was not clear whether he would resign himself or wait until Yeltsin decided on the replacement.

On Friday the president made it clear that he no longer trusted Ilyushenko and said he was not going to ask the parliament to approve him in his position.

Russian media accused Ilyushenko of trying to conceal criminal-like activities of his relatives and of failure to expose any of the murders of prominent bankers and journalists which received much publicity in the country.

Yeltsin told a press conference that, although Ilyushenko denied all accusations, "with such stains my hand will hardly rise to again recommend him as Prosecutor General".

The president twice asked the parliament to approve Ilyushenko as Prosecutor General, both times in vain.

"Unfortunately, he will learn about that from you", Yeltsin told reporters.

Evidently, Yeltsin did not talk to Ilyushenko before his departure for vacation in Sochi on Sunday and the acting Prosecutor General is to decide on his fate himself.

St. Petersburg Mayor on Elections, Housing

LD0809122695 Moscow INTERFAX in English 1039 GMT 8 Sep 95

[FBIS Transcribed Text] St. Petersburg, Sept 8 (INTERFAX) — St. Petersburg's Mayor Anatoliy Sobchak believes that Prime Minister Chernomyrdin will be the "most likely candidate" for the presidency in next year's election. Sobchak was speaking on St. Petersburg radio on Friday.

Sobchak also said that he was going to run for mayor next year. He described as a misunderstanding press reports quoting the presidential chief of staff Sergey Filatov as saying that there may be no elections in St. Petersburg next year.

"According to the local law the mayor and the legislative assembly are to be elected on June 16 1996 and I am going to nominate myself for mayor", Sobchak said.

As he answered questions, Sobchak deplored the "impossibility of fundamentally improving the housing problem", although 360,000 city residents (119,000 families) have moved to better housing over the past few years. Sobchak hopes that measures to reduce inflation that would let people take long-term credits, as well as the allocation of plots of land for individual home-building schemes will help ease the housing shortage.

Observers View Law on Local Self-Government

LD0809120895 Moscow ITAR-TASS in English 1155 GMT 8 Sep 95

[FBIS Transcribed Text] MOSCOW, September 8 (ITAR-TASS) — Russian President Boris Yeltsin told a news conference in the Kremlin on Friday that he so far permits "separate regions" to elect heads of local administrations and intends to grant this permission in future. But then, under the law on local self-government passed in late August, all chiefs of administrations will be elected in six months.

The law "On general principles of local self-government in Russia" has become the first of the laws envisages by the new Russian Constitution "to ensure guarantees of regional and local democracy," Anatoliy Sliva, Chairman of the Duma Committee on local self-government, told journalists earlier. He said that the Russian code on land which passed the first reading in the State Duma cannot be further worked out without the adoption of the law on local self-government. According to the law, local self-government bodies should be granted sufficient powers to solve matters of municipal land tenure.

Under the law on local self-government signed by President Yeltsin on August 29, 1995, elections of representative bodies and officials of local self-government should be held no later than in six months since the law's coming into effect.

Media Issues

Election Commission Approves Rules on Media Use

LD0809152595 Moscow ITAR-TASS in English 1448 GMT 8 Sep 95

[By Lyudmila Yermakova]

[FBIS Transcribed Text] MOSCOW, September 8 (ITAR-TASS) — The Russian Central Election Commission has carried out a scrutiny of rules for giving air on state-owned television and radio channels and space in printed media with state-owned stakes to candidates for the State Duma to be elected on December 17.

The commission passed the rules in principle to polish them for a few more days into a final version with clear and exact definitions.

The rules had been through three debates.

Central Election Commission member Raif Biktagirov said in a statement that to give the exacting efforts to the rules was crucial because pre-election propaganda "is traversed by the main nerve of the election campaign, and the most acute struggle for votes will unfold here".

Interests of all Russia's component states converge in the rules which set conditions for electioneering, Biktagirov said.

Commission members called the key asset of the rules "the guarantee of equal access to air and pages of all newspapers and magazines to all candidates".

The rules are an outgrowth of laws on the State Duma election and on guarantees of franchise and advertising.

The rules read that electoral blocs which have registered their federal lists of candidates have the right to use pan-Russian and regional television and radio companies.

Candidates running in one-ticket constituencies are entitled to the use of regional and municipal television and radio.

Blocs and groups which have registered their federal lists will be given free air on channels of pan-Russian television and radio companies in the period from November 15 to December 15, 1996.

Under the rules, a total of 30 minutes of free air between 7:00 and 10:00 a.m. and 30 minutes between 18:00 and 23:00 must be provided to contenders daily on workdays.

All blocs must have equal shares of air time.

The air timetable is to be compiled by the leadership of Russian television and radio companies on a lot basis.

Runners in one-ticket constituencies may use regional television and radio channels free of charge over the same November 15 to December 15 period.

Additional air time is charged.

The rules stress that a total of paid time provided by pan-Russian companies may not exceed total free time.

This limitation does not apply to regional companies.

Television and radio companies are obliged to publicly declare their charge for air time.

The rules proscribe publication of the anonymous electioneering literature by periodicals.

The literature of blocs and individual candidates is published free on a preset timetable.

Each bloc and candidate has the right for at least one free publication.

Its text may not be edited without consent from the author.

Appeals about infringement on the principle of equal access to mass media may be made to the Central Election Commission or court.

Military Issues

Daily Views Potential Benefits of START II

MM0709091695 Moscow KOMSOMOLSKAYA PRAVDA in Russian 5 Sep 95 p 7

[Article by Aleksandr Golts: "Why Russia Has Let Its Nuclear Arsenal Go for Soap and Sausage"]

[FBIS Translated Text] We are always short of something. Quite recently it was sausages. Now most citizens lack the money to buy that sausage and in the country as a whole there is a lack of investments to produce this sausage at a price accessible to all. But there have always been plenty of nuclear missile weapons. It is not for nothing that one foreign leader called the Soviet Union "Upper Volta with missiles." Now that Russia has inherited the Soviet nuclear arsenal in full (Ukraine, Kazakhstan, and Belarus must hand over to Russia for destruction the nuclear weapons on their territory) and the implementation of the START I treaty is only beginning, the number of missiles per capita in our country is higher than in the USSR.

At the same time we do not now expect a surprise nuclear attack from any direction. If you consider that our nuclear missile arsenal, like the U.S. arsenal, is several times greater than the nuclear potentials of China, France, and Britain taken together then the desire to reduce it looks entirely natural. Under the START I treaty about 40 percent of arms are subject to reduction, as a result of which Russia and the United States will each have 6,000 nuclear warheads left. The START II treaty, which should halve the remaining quantity of arms, awaits ratification by the Russian parliament.

But it is highly likely that the ratification of START II will not proceed smoothly. Will our parliamentarians on the eve of the elections be able to let slip the chance to accuse the government of betraying national interests??? This time not only the extreme opposition is calling for caution in ratifying the treaty. Doubts are being voiced by very sober experts including supporters in principle of START II. The point is that the treaty signed during the U.S.-Russian "honeymoon" requires a degree of mutual trust which cannot be established by any reciprocal checks, however scrupulous.

START II in terms of its philosophy was a departure from the concept of mutual assured destruction which for decades was the basis of the military balance between Moscow and Washington. The two sides' security was guaranteed by the very precise correspondence of their arsenals' combat potential. But under the treaty Russia undertakes to destroy those weapons which most frightened the United States: MIRV'd missiles. In exchange, the United States agreed to reduce warheads on sea-launched and ground-launched missiles and to restrict the deployment of strategic aircraft. Here our reductions were entirely feasible: We must destroy 154 "heavy" RS-20 missiles and the same number of RS-22 launchers. In addition we must eliminate several submarines. The Americans are thus deprived of over 50 MX missiles. And from the rest they will simply remove a certain number of warheads. And 100 strategic bombers will simply be called "non-nuclear." Specialists believe that the Americans will be able to restore their potential in just a few weeks without spending large amounts of money.

But that is not the only point. Already at the time the treaty was signed in early 1993 it was clear that, having eliminated its "heavy" missiles Moscow would in fact be changing the structure of its nuclear potential. But, having acted in this way, Russia would hardly be able to achieve even the limits allowed under the START II treaty. After all, Moscow simply does not have and will not have in the immediate future the money to build the necessary number of single-warhead ground-launched missiles and strategic bombers. It is true that we did not have too many opportunities for maintaining the missiles which we agreed to reduce. Those missiles, like the spare parts for them, were produced in Ukraine. Leaving them meant turning our strategic potential into a hostage of the complex relations with Kiev. So that on the other hand the result is that if the treaty is not ratified the United States will gain an opportunity to retain its entire nuclear arsenal. But Russia's potential will decline of its own accord.

So that in principle START II is to Russia's advantage. Where do the doubts come from?

We can come to terms with the fact that Washington will have a big potential if we are sure that across the ocean they will never assess this as a weakness and will not start to view the balance of strength from a purely arithmetical viewpoint. Otherwise there will always be a danger that they will try to put pressure on Russia. Yet the facts attest that they have not abandoned these attempts. Here is a recent example: The House of Representatives blocked in the plan for the next fiscal year the allocation of money to Russia in accordance with the Nunn-Lugar bill. The pretext consisted in the charges that Russia, in violation of the 1972 convention, was continuing to develop bacteriological weapons. It is indicative that suspicions of violating this agreement have been put forward virtually every year since the convention was concluded.

All this time diplomats have exchanged opinions about how to supplement the convention with an effective checking system. There was no need for mutual accusations. But now, in order to "put pressure on Moscow," the congressmen intend to suspend financial aid to Russia, Ukraine, Belarus, and Kazakhstan in implementing the START I treaty. That is in the transportation of nuclear warheads to Russia and their destruction there. If that happens then it is entirely likely that Moscow will be unable to implement the necessary reductions on time. And that will provide new food for mutual suspicions. The vicious circle will be closed.

Moscow and Washington have so far been obliged to retain the old structure of global confrontation.

U.S. Congress' recent decisions attest that U.S. legislators are seeking greater security for the United States in an attempt to bypass the treaties already concluded. The Senate has just voted for the allocation of $300 million for the development and creation of an ABM system, a smaller "tactical" version of the notorious Reagan "star wars" program. The deployment of this system will undermine the ABM Treaty which is the basis of the Russian-U.S. accord on reducing nuclear missile weapons. Of course, in an attempt to obtain a "makeweight" to the existing ABM system Washington politicians are not preparing a nuclear strike against Russia but are fighting for new orders for the military-industrial complex. But it remains a fact that by adopting a unilateral decision the U.S. legislators have shown that they do not consider themselves bound to observe the existing parity.

And since that is so the question arises: Do we have enough missiles? To prevent a hypothetical nuclear attack we probably do. But to retain Russia's status as a great power — I do not know. After all, it emerges that our partners are still thinking in the old confrontational terms and it is they and not we who are still inclined to attach too great significance to purely military means of ensuring security. This was best put by the U.S. defense secretary: "The Soviet nuclear complex is like the many-headed Hydra.... It is futile simply to cut off the warheads, we must destroy the monster itself, or new warheads will appear...."

But will the United States be able to see Russia as a partner if it acquires superiority, albeit relative, in the field of nuclear missile weapons? And will we not seem in Washington's eyes to be merely an "Upper Volta" but without missiles? With all ensuing consequences. For instance, with the possibility of threatening to apply sanctions if they do not like something in Russian policy. That way we could be without sausage as well.

Federal Assembly

Duma Holds Special Session on Bosnia, Kozyrev

Deputies Oppose Use of Force

LD0909170595 Moscow ITAR-TASS in English 1622 GMT 9 Sep 95

[By Ivan Novikov and Lyudmila Aleksandrova]

[FBIS Transcribed Text] MOSCOW, September 9 (ITAR-TASS) — The use of force in Bosnia may have irreparable consequences, said Russian deputies on Saturday during their debates on the Balkan crisis in the State Duma initiated by the Agrarian Party of Russia.

In his opening remarks, Vladimir Lukin, Chairman of the Duma Committee for International Affairs, blamed the Balkan crisis on the communist regime of Josip Broz Tito who created an unviable state system and Western politicians, primarily German ones.

"Germany began to openly support one of the conflicting sides, Croatia, which accelerated the outcome, and other Western countries follow this policy," he said.

He believes that Russia's policy in the Balkans which sought to reach the soonest possible ceasefire failed because it was not backed up by a sound concept of crisis settlement.

Lukin stressed that disagreements between Russia and the West boil down to the fact that Russia insists that a political settlement should follow a ceasefire, while the West wants these two processes to develop simultaneously.

He admitted that Russia's influence on the situation in the former Yugoslavia is very small and ascribed it to the economic and military weakening in Russia. Each time when Russia disagrees with the West it causes surprise and irritation, he added.

Among the mistakes made by Russian diplomacy Lukin particularly named the recognition of Bosnia-Herzegovina and Russia's decision adopted in May 1992 to veto the imposition of economic sanctions against Yugoslavia.

Lukin agreed with major provisions of a draft resolution prepared by the Committee and considered by the Duma leadership, and suggested holding a joint meeting of Russian, Ukrainian and Belarusian deputies to discuss the Bosnian crisis and recommendations for the executive branch.

Russian human rights champion Sergey Kovalev condemned NATO air strikes against Bosnian Serb positions and supported Russian President Boris Yeltsin's initiative to hold an international summit meeting with the participation of the Bosnian sides.

At the same time, Kovalev urged deputies to take a sober and well-balanced approach toward the Bosnian issue and disagreed that Russia should provide humanitarian assistance only to Serb civilians. "This assistance should be extended to all sides involved in the war," he said.

Yekaterina Lakhova, leader of the Women of Russia faction, blasted the Russian Foreign Ministry for a "series of grave mistakes" and lashed out at its leaders for a "hasty recognition" of Bosnia-Herzegovina, support for international sanctions against Yugoslavia and the transfer of the U.N. authority to use force against the Serbs to NATO.

Lakhova urged an immediate convocation of the U.N. Security Council at the level of the heads of state to resolve the Bosnian crisis. She also called for changes in the U.N. Charter provisions concerning the use of force.

Yuriy Voyevoda, one of the leaders of the deputy group Stability, supported Lakhova's call for an urgent meeting of the U.N. Security Council to discuss arms supplies to Russia's friends in the Balkans.

Aleksandr Dzasokhov, a member of the deputy group Regional Policy, pointed out that Russia's agreement with the use of NATO's troops against the Serbs started "the pernicious process in the Balkans." At the same time, he stressed that the U.S. peace plan for Bosnia deserves attention and consideration. "The American initiative should be lent a character of actions of the international community."

Russian ultranationalist Vladimir Zhirinovskiy called for an immediate resignation of Russian Foreign Minister Andrey Kozyrev and recommended the Duma to ask the president to sign a decree enacting the law on the withdrawal from all economic sanctions against Yugoslavia and immediate restoration of all relations with it.

He also insisted that all foreign troops leave the Balkans, suggesting at the same time another option: NATO troops stay on the territory inhabited by Moslems and Russian troops, of the same strength, in Serb-populated areas.

Zhirinovskiy urged the Russian leadership to exercise its right of veto in the U.N. Security Council in order to "make the U.N. withdraw from all forms of participation in the Balkan crisis."

Russian Communist leader Gennadiy Zyuganov spoke of an "obvious collapse of the Russian foreign policy" and described the current international situation as a new redivision of the world.

He urged the U.N. Security Council to veto all decisions related to the Bosnian crisis and asked China, India and all Orthodox countries to provide support.

Zyuganov also called for lifting all sanctions, including arms embargo, and allowing the Russian military to participate in the Balkan conflict on the Serb side. In addition, he demanded that the Russian foreign minister quit.

Meanwhile, his faction blamed all failures of the Russian foreign policy on Russian President Boris Yeltsin.

Viktor Ilyukhin, Chairman of the Duma Security Committee, urged the deputies to "give a tough assessment of the actions by the president and premier in the Bosnian conflict," adding that "the president is looking for scapegoats in the Ministry of Foreign Affairs."

However, the Communists' attack on the president and the government was not supported by other deputies. Moreover, deputy Nikolay Lysenko, who took the floor immediately after Ilyukhin, called on the lawmakers "not to concentrate the fire of criticism on the president who maintains the balance of forces in the country."

Deputies Deliver Speeches on Crisis

LD1009133795 Moscow Russian Television Network in Russian 1930 GMT 9 Sep 95

[From the "Debates in Parliament" program, with recorded excerpts of speeches on the Balkan crisis by Russian deputies in the State Duma in Moscow on 9 September]

[FBIS Translated Excerpt] [Correspondent] An emergency sitting of the spring session of the State Duma took place on 9 September. The use of the word "spring" is not a slip of the tongue. That was what the sitting was called. There were two questions on its agenda: The first one, the main one, was on the unleashing by NATO of a war in the Balkans and on the position of Russia.

The deputies also decided to hear information by Aleksandr Ivanchenko, deputy chairman of the Central Electoral Commission, on how preparations for the elections of State Duma deputies are progressing.

Chairman of the Committee for International Affairs Vladimir Lukin delivered a report on the crisis situation in the Balkans and the policy of Russia. He said that the evolution of NATO's position in a Bosnian settlement is giving rise to serious concern. A policy is under way of ignoring Russia's opinion in the Balkan conflict. [passage omitted] [video cuts to Vladimir Zhirinovskiy addressing the Duma]

[Vladimir Zhirinovskiy, LDPR] You and I must demand without fail the immediate dismissal of Foreign Minister Andrey Kozyrev, for Mr. Kozyrev has not just made small mistakes, he has committed crimes for which he must be punished under criminal law — for millions of people have already perished and more may die as a result of the policy which he has implemented, and material losses run to many billions. The LDPR faction has proposed that the president should not just remove Foreign Minister Kozyrev but also press criminal charges against him.

Second, we must make immediate use of the right of veto in the Security Council, demand that it should be convened and make use of the right to force the United Nations to drop all forms of participation in the Balkan crisis because monstrous crimes are being committed under the blue flags of the United Nations — just as 40,000 soldiers arrived in South Korea purportedly under the UN flag — and they have been there for 50 years now! That is why we must ask the president, from the lofty tribune of the State Duma, to sign as soon as possible a decree bringing into effect the law adopted by us calling for Russia to drop all forms of embargo and blockade and begin full-scale cooperation, deliver foodstuffs there. It is the only instance where the LDPR faction agrees that help should be given.

[Sergey Kovalev, Russia's Choice faction] One shouldn't make the same mistake twice. The true defense of the interests of Russia lies not in hysterical outbursts of emotion but in well-considered approaches based upon reasoned calculations. We may return very easily to the times of the Cold War but it will be very difficult to return to a normal state. In my opinion, there is no doubt in anyone's mind that the first task in the Balkans is to stop the bloodshed. In a situation where bloodshed must be stopped there is just one sensible approach: conventionally speaking, those who sympathize with it must bring influence to bear upon their allies.

[Gennadiy Zyuganov, Communist Party of Russia] Essentially, what is happening is that the world is being re-divided, for a third time, and in the most real way. At first, it was brought down upon us by ideological diversion, then by the complete paralysis of the economy and finance, and now it is already being decided by NATO and U.S. troops with the assistance of bomb strikes. [passage omitted citing article in 5 September SOVETSKAYA ROSSIYA newspaper by chairman of Vietnam War veterans union which draws parallels between present NATO air strikes on Serbs and those by Hitler, also saying Serbs fought in Stalingrad when the fate of Russia was at stake, Europe is silent now as it was then when a whole people was being eradicated]

[Yekaterina Lakhova, Women of Russia faction] The powers delegated by the Security Council to the NATO military command automatically increased the weight of the United States and its allies to the detriment of Russia. That delegation of powers has led to NATO being drawn into combat operations in the capacity of a force fighting on one side. In this sense, such a position by NATO contradicts the peace mission of the UN Blue Helmets. Moreover, the dangerous precedent of NATO interference with UN sanction in an internal conflict of a civil war arose earlier. As a result the war is escalating, not only the military but also peaceful citizens are dying.

The double standard applied to the participants in the conflict, the extreme leniency toward some, and extreme toughness toward others sharply reduces the chances for a peace settlement. That double standard reinforces the lack of compromise on the part of the Muslims and the Croats and at the same time leads to the toughening of the position of the Serbs. Russia cannot dodge its responsibility in the situation which has evolved. It is connected to the Balkan region by long ties of fraternity. It has certain geopolitical interests here but sharp statements and routine ill-thought out diplomatic initiatives won't put that situation right today. [passage omitted]

[Boris Fedorov, State Duma deputy] The parliament does not have the right to ignore such an important issue as bombing which has been going on for many weeks now, or the people who are responsible for it. And here, of course, terrorist acts are unjustified — and let's not hide the fact that there have been such acts in the past, and by the Bosnian Serbs, too.

I think that we do not have the right to remain on the sidelines, not only because they are our historical allies, or because people are experiencing some kind of feelings of kinship but because in a civil war one should not help one side, especially if it is the weaker side, in order to destroy the stronger side. That is an attempt to change history with the help of bayonets and bombs. And it seems to me that NATO, the United States, and the United Nations have adopted such a belligerent position thinking that peace can be attained by bombings alone. We are obliged to protest against that. We are obliged to urge the Russian government to undertake certain steps to put and end to that.

Naturally, the second part of what is happening here is the criticism of power, criticism of the president, of Foreign Minister Kozyrev for their passiveness, for lack of consistency because we actually supported the bombings in our time. We supported sanctions against Yugoslavia and nobody has heard for two years now anything about any arms supplies or participation in that conflict.

The president spoke yesterday but three weeks had passed since the bombings began — that's a very long period. Russia looked calmly on and failed to react.

[Sergey Shakhray, Party of Russian Unity and Accord] There is no supreme, unbiased arbiter in the Balkans now. Neither the United Nations nor its Security Council nor the United States can play that role. And unfortunately, Russia is not playing that role either. Blood is being shed now in the Balkans, in the center of Europe. Russia cannot but feel guilty for what is happening in the Balkans even if in fact it did everything it could. Russia could not but doubly feel guilty for what is happening in the Balkans if it did not do what it could have done. Russia cannot waver about whether or not intervene in the Balkan conflict. Russia should not be thinking about whom it should defend: our ethnic Slav brothers — who include both Orthodox and Muslims — or our Serb brothers, who are fighting each other. Russia should defend all the peoples of the Balkans from the fratricidal conflict. Russia should use all its might to protect the world against the unleashing of a world war. This is the main task of Russian diplomacy today. Therefore, I consider it essential, first, to examine immediately at the UN Security Council on behalf of the Russian Federation the question of the threat of a Third World War and of putting an end to the conflict in the Balkans; to instruct representatives of the Russian Federation to use their right of veto in the UN Security Council in voting on all questions until the Security Council hears the position of Russia on the Balkan issue. [passage omitted]

[Correspondent, in corridor to Krylov] Deputies are discussing statements on the events in the Balkans and the policy of Russia. You are a Foreign Ministry spokesman. What do you think about the discussion in the hall?

[Sergey Krylov, deputy foreign minister, in corridor] The discussion was very interesting. It's not the first time I've attended a discussion on various issues but perhaps that was one of the most interesting ones. Although quite frankly it was perhaps also one of the most emotional ones and of course one gets the feeling that this is already an open pre-election struggle. The arguments and the knowledge of the subject were not the most important thing in today's discussion. Unfortunately, very many of the deputies who spoke, at least up until this minute — the debates are still going on — are doing their utmost to get themselves noticed once more and to once more vamp their pre-election campaign. At the same time, I have to say that there were quite a lot of interesting proposals and interesting turning-points from many of those who spoke. The auditorium has just voted for the draft statement on the results of today's debates as a basis [for further discussion]. It has all the features I mentioned already — emotions running high and posturing with the forthcoming elections in mind. Unfortunately, those who drew up that draft statement did not familiarize themselves sufficiently closely with the documents which exist, with the statement by the president, and followed with unsufficient attention the talks process which is now under way. I cannot agree for instance with claims in the draft statement that Russia has virtually no voice either in the Contact Group or in the talks process. The events over the past few days, the meetings in Geneva, in Paris, in my view convincingly refute what that statement says. The decisions which were taken, literally yesterday, in my view are concrete proof that Russia has always had a plan of its own for a Balkan settlement, that Russia played and continues to play a leading role in this process, and that a serious decision cannot be taken without its opinion, without taking account of its position, and all those participating in the process realize this, otherwise the decision which was taken would not have been taken. I hope it will be implemented. So such unsupported allegations are, on the one hand, totally unfounded and on the other hand, in my view, those who make such statements are inflicting political and moral harm upon our country by their statements, by their declarations. [passage omitted]

Supply of Weapons to Serbs Debated

LD1009180295 Moscow Radiostantsiya Ekho Moskvy in Russian 1500 GMT 10 Sep 95

[FBIS Translated Text] Viktor Ilyukhin, head of the Duma Security Committee, believes the Bosnian Serbs should be provided with anti-aircraft hardware in order to balance the positions of the warring sides.

[Begin Ilyukhin recording] The asymmetry has taken a clear-cut shape by now: Only one side is being harassed and destroyed. Those who are destroying are getting away. Indeed, they know the Bosnian Serbs have nothing to protect themselves with against planes and heavy artillery. [end recording]

Sergey Yushenkov, head of the Duma Defense Committee, strongly opposed his colleague's proposal.

[Begin Yushenkov recording] This virtually means the unleashing of a war in the Balkans. This means pushing Russia into this war. This will cause enormous damage to the country's interests. Later this will lead to a chain of various unfavorable and negative consequences to the country. First, this will virtually bury the ABM [Anti-Ballistic Missile] Treaty. In its turn, this will lead to such an arms race, which we not only cannot afford, but for which we lack even the most essential resources. [end recording]

Serbs Claim West 'Staged' Attack

LD0909125695 Moscow ITAR-TASS in English 1153 GMT 9 Sep 95

[By Ivan Novikov]

[FBIS Transcribed Text] MOSCOW September 9 (ITAR-TASS) — Russian State Duma Chairman Ivan Rybkin received a letter from Bosnian Serb President Radovan Karadzic, parliament chairman Momcilo Krajisnik and military commander General Ratko Mladic.

The letter bluntly denies Bosnian Serb blame for the shelling of Sarajevo.

The letter was circulated in the State Duma today.

The Bosnian Serb leaders say the shelling incident was staged by Western special services jointly with Moslems with the purpose of creating a pretext for air strikes on the Serb Republic.

The letter calls Russia to use its great possibilities to urge an immediate end to violence against Serbs and call negotiations for the establishment of durable and fair peace acceptable for all conflicting parties.

Karadzic, Krajisnik and Mladic said in their letter that they were closely watching, with great approval, the statements from Russian authorities.

The letter praises President Boris Yeltsin for his opposing the NATO air strikes during his talks with German Chancellor Helmut Kohl.

The Bosnian Serb leaders conveyed gratitude to the Russian people for "understanding and support in this difficult time".

Kozyrev To Miss Special Session

LD0809143495 Moscow INTERFAX in English 1314 GMT 8 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 8 (INTERFAX) — Russia's Foreign Minister Andrey Kozyrev, who is also a State Duma member, will stay away from the special session to discuss the situation in the Balkans slated by the parliament's lower house for Saturday.

On September 6, the State Duma's Council decided to include in the forthcoming session's agenda the issue "On NATO's war in the Balkans and Russia's position."

As a Russian Foreign Ministry source explained, Kozyrev, who left for Bulgaria and Greece on Thursday, is due back in Moscow late Sunday night. "Since the State Duma has scheduled its Saturday session for 14:00, he will be unable to attend it," the diplomat explained.

On the eve of the session, the Duma Council has approved a statement, drafted by the parliamentary International Affairs Committee, asking Yeltsin to sack Kozyrev "for many serious mistakes made by him and the Russian Foreign Ministry he leads."

Commenting on this move, Kozyrev told journalists on Thursday that certain forces have prevailed in the Duma. "Since they lack serious positions in the election campaign, these forces try to score points by using an unqualified approach."

Duma Official Criticizes Kozyrev

LD0809163595 Moscow NTV in Russian 2000 GMT 7 Sep 95

[From the "Midnight Today" program]

[FBIS Translated Text] Answering questions from journalists with his Italian opposite number Susanna Agnelli, Russian Foreign Minister Andrey Kozyrev took the opportunity to answer accusations made against him by the State Duma council. As is known, on the previous day this highest body of the lower chamber suggested that the president dismiss Andrey Vladimirovich [Kozyrev]. Anticipating both the president's decision and Saturday's sitting of his parliamentary colleagues, the minister said that the Duma takes great pleasure in occupying itself not so much with its immediate duties, that is ratifying treaties, as with political intrigue at an international level. Vladimir Lukin, a member of the Duma council and head of its the Committee for International Affairs, was rather surprised by this reaction:

[Begin Lukin recording] First of all Andrey Vladimirovich is a State Duma deputy, however he ranks himself among these people — it should be said he does not visit the State Duma very diligently. His statement that the Duma should ratify treaties and do nothing else is a very bad statement by a not very talented deputy. The Duma should do many things. The Duma is the representative power; for example, the Duma should help the president appoint and dismiss amabassadors; the Duma should pronounce its judgment on basic political issues as the body of power chosen by the people. What Kozyrev said shows that he is a bad democrat. [end recording]

As is known, the Duma council's statement notes that both the minister himself and the department he heads have made many serious mistakes leading to the humiliating collapse of Russian diplomacy in the Balkans. The Duma thinks the timely interference of the president and strengthening of the leadership of the Foreign Ministry are the last resort in correcting the situation.

[Begin Lukin recording] We could achieve something by concentrating our forces and conducting subtle, consistent diplomacy. Unfortunately there have been periods when Russia has been in a bad state but has had brilliant diplomats. It was like this after the Crimean war, after the Russo-Japanese war, after two humiliating defeats for Russia. We are now weak and have weak diplomats, which makes things especially difficult. [end recording]

Duma Appeals to Legislators of NATO States

LD0909172995 Moscow ITAR-TASS World Service in Russian 1544 GMT 9 Sep 95

[By ITAR-TASS correspondent Ivan Novikov]

[FBIS Translated Text] Moscow, 9 Sep (ITAR-TASS) — Today, the State Duma adopted a statement in which it appealed to Members of Parliament of the NATO states and of countries directly involved in the Bosnian crisis "to do their utmost to halt the escalation of violence in the Balkans, to stop the senseless bloodshed, to renounce a policy of double standards which is sowing the seeds of future, even fiercer crisis situations". Voting was by roll-call and 245 deputies came out in favor of this resolution, with three abstentions and none against.

The lower chamber of the Russian parliament called upon President Boris Yeltsin "to adopt urgent measures with a view to preventing the further escalation of violence in this region, to get all interested parties to renounce violent methods as a means of resolving moot issues and to seek the necessary outcome exclusively around the negotiations table".

The statement notes that "the latest tragic events in the Balkans have shown the complete helplessness of Russian diplomacy", while "Russia's role in the international arena has been substantially reduced". Among the main reasons for this provision, the deputies believe, is that the influence of Russia, as a permanent member of the UN Security Council, on development of events has not always been correct. The statement says that "within the framework of the UN Security Council the Russian side has agreed to resolutions, the formulations of which can be construed as permitting a broad use of NATO forces in the Bosnian crisis". At the same time the statement says that "There has been no clear provision for a mechanism of a voting procedure on major actions at least." The document further notes that "the participation of Russian representatives in the negotiation process in the framework of the Contact Group and bilaterally has not been organized in a satisfactory manner".

"Diplomatic miscalculations have not just reduced the effectiveness of the Russian policy in respect of the Balkan crisis," the statement says. "The actual authoritativeness and prestige of the Russian Federation, its president and parliament have been called into doubt."

Duma Adopts Final Resolution

LD0909170295 Moscow ITAR-TASS World Service in Russian 1550 GMT 9 Sep 95

[By ITAR-TASS correspondent Lyudmila Aleksandrova]

[FBIS Translated Text] Moscow, 9 Sep (ITAR-TASS) — The State Duma deputies, at this evening's session devoted to the discussion of the Bosnian question, have adopted a resolution "On the Russian State Duma's position in respect of NATO's military intervention in Bosnia and military and political tension in the Balkans."

The resolution contains an address to the Russian president with a number of proposals. In particular, the deputies propose that on behalf of the Russian Federation, the head of state should demand an immediate meeting of the UN Security Council so that the latter can consider the issue of NATO's responsibility for aggression in Bosnia, which has led to the mass destruction of the civilian population. The president is advised to call for a meeting of the Contact Group at the highest level with a view to resolving the Bosnian crisis. He is also advised to urgently resolve the issue of signing a federal law "On halting Russia's participation in the implementation of the international sanctions introduced against the Union Republic of Yugoslavia," and a law on "Measures of the Russian Federation to prevent the genocide of the Serb people on Croatian territory," as well as to consider issues relating to military and technical cooperation.

The deputies called upon the president to examine the question of suspending Russia's participation in the NATO Partnership for Peace program. He has been recommended to hold consultations on elaborating an agreed position on the Bosnian crisis with Ukraine and Belarus, and also with other CIS states and countries of the Balkan region; to make proposals on convening a joint session of the parliament of the three countries to decide the Yugoslav problem and the situation in the Balkans.

The State Duma deputies propose that Boris Yeltsin should deliver a message at a joint session of the State Duma and the Federation Council on the foreign policy and the national interests of Russia in connection with the Balkan crisis.

The deputies supported the president's initiative to convene an international peace conference on Bosnia and Herzegovina with the participation of all interested parties. Finally, the State Duma recommended that the president should release Andrey Kozyrev from the post of minister of foreign affairs of the Russian Federation "for the serious mistake made by him and by the ministry headed by him [no closing quotation mark as received].

The resolution proposes that a peacekeeping mission headed by State Duma Chairman Ivan Rybkin, and made up of the representatives of all factions of the State Duma and of the deputies' group for ties with the republics of the former Yugoslavia, should be sent to Bosnia and Herzegovina, the Federal Republic of Yugoslavia, and Croatia. It is also recommended that working groups of deputies should be sent to the area of the conflict on a permanent basis.

The resolution was adopted by an overwhelming majority of votes — 258 deputies voted, with two against, and three abstentions.

Federal Assembly Chronology for July

95P50169

[FBIS Media Note] This FBIS Media Note contains a topical listing of major decisions, discussions, and actions made by or taken on behalf of the Russian State Duma and Federation Council. Further textual material is available in the 1995 editions of the FBIS Daily Report (DR) "Central Eurasia" or in other cited sources. The citation provides DR listings and page numbers or media source and date at the end of each entry. Items that have been entered under more than one topic headings are marked with an asterisk (*). A list of abbreviations and their expansions follows the chronology.

Administrative: Duma ends its spring session on 21 July and resumes fall session on 4 October.

14 Jul 95 — President Yeltsin issues a decree setting 17 December 1995 as date for Duma elections (14 Jul 95, 17)

FOREIGN POLICY AND ARMS CONTROL

U.S., Europe, and Latin America

12 Jul 95 — Duma issues a statement condemning NATO air strikes against Bosnian Serb positions near Srebrenica (13 Jul 95, 33)

12 Jul 95 — Duma passes on a second reading draft law ending Russia's participation in the implementation of international sanctions against Yugoslavia (vote: 246 for, 3 abstentions) (13 Jul 95, 33)

19 Jul 95 — Duma adopts a statement "On NATO's Actions in Bosnia-Herzegovina," which condemns the latest air strikes in the Srebrenica region (19 Jul 95, 39)

20 Jul 95 — Duma adopts statement calling on French President Chirac and the French parliament not to go ahead with nuclear tests and to join efforts to preserve a nuclear-free world (vote: 227 for) (21 Jul 95, 25; 24 Jul 95, 19)

CIS/FSU

*5 Jul 95 — Council rejects law on the 14th Army's presence in the Transdniester region (Moldova) passed by the Duma on 21 June (vote: 28-43, 4 abstentions); Council committees believe that "the adoption of the law could be interpreted as interference in Moldova's internal affairs and as a violation of the signed interstate agreements" (6 Jul 95, 28)

*7 Jul 95 — Duma tasks Chairman of Committee on CIS Affairs Zatulin (DPR) and Deputies Kalmykov (independent) and Lukyanov (CPRF) with preparing a request to the Constitutional Court to rule on the ownership of Sevastopol (14 Jul 95, 35; 20 Jul 95, 7)

14 Jul 95 — Duma adopts a resolution "On Aid for the Population of Abkhazia" which sets up measures to open up Sukhumi and proposes giving humanitarian aid to flood-raved Abkhazia (17 Jul 95, 36; 28 Jul 95, 33)

14 Jul 95 — Duma rejects draft resolution of Chairman of Committee on CIS Affairs Zatulin (DPR) on appeals made by Abkhazia and South Ossetia and on Russia's role in settling their conflict with Georgia (216-32, 3 abstentions) (17 Jul 95, 37)

*21 Jul 95 — Duma ratifies Russian-Estonian treaty on the withdrawal of Russian armed forces from Estonia (vote: 259-2, 2 abstentions); Duma also ratifies the agreement on social guarantees for Russian army pensioners living in Estonia (24 Jul 95, 21)

*21 Jul 95 — Duma ratifies agreements on Russia's military cooperation with Tajikistan and Kyrgyzstan (24 Jul 95, 27)

27 Jul 95 — Council ratifies agreement with Tajikistan on the sending of Russian military advisers and specialists (28 Jul 95, 36)

Near East, Africa, and Asia

14 Jul 95 — Council approves law "On the Ratification of the Agreement Between the Russian Federation and the PRC on the Western Sector of the Sino-Russian State Border;" on 23 June Duma approved law (17 Jul 95, 39).

General

*6 Jul 95 — Foreign Minister Kozyrev addresses Council on establishment of military bases in CIS countries and the development of military and technical cooperation (7 Jul 95, 5); Kozyrev also appeals to the Council to help solve the ministry's financial difficulties, elaborates on foreign policy activities, and the "brain drain" problem (7 Jul 95, 22)

12 Jul 95 — Duma passes a federal law delineating the borders of the continental shelf (13 Jul 95, 38); on 20 April Duma had passed second reading of law.

14 Jul 95 — Council approves law "On the Ratification of the Agreement Between the Russian Federation Government and the OECD on the Organization's Privileges and Immunities in the Russian Federation" (17 Jul 95, 39)

MILITARY AND SECURITY ISSUES

*5 Jul 95 — Council rejects law on the 14th Army's presence in the Transdniester region (Moldova) passed by the Duma on 21 June (vote: 28-43, 4 abstentions); Council committees believe that "the adoption of the law could be interpreted as interference in Moldova's internal affairs and as a violation of the signed interstate agreements" (6 Jul 95, 28)

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7, 14 Jul 95 — On 7 July Duma debates the critical situation in the military-industrial complex enterprises and adopts a resolution dealing with financing the enterprises, speeding up conversion, and developing a defense industry potential plan to the year 2005 (vote: 285 for) (10 Jul 95, 29); on 14 July Duma passes a resolution on the critical situation in the defense industry (17 Jul 95, 38)

*12 Jul 95 — Duma adopts a resolution recommending that Yeltsin take additional legal, organizational, and other measures to ensure security in the Stavropol Region (13 Jul 95, 35)

12 Jul 95 — Duma passes law "On Fighting Organized Crime;" this is the first time the notions of organized crime and organized criminal groups are introduced into Russian law (13 Jul 95, 38)

12 Jul 95 — Duma passes law "On the Railway Troops of the Russian Federation" which states that the troops are to operate in time of war and peace to protect and restore the railways and to control the access to them (13 Jul 95, 39)

14 Jul 95 — Duma adopts on first reading a decree "On Fighting Corruption" which establishes a financial accountability requirement for those "claiming to fulfill state or similar functions" (17 Jul 95, 37)

14 Jul 95 — Duma passes law on state defense order which includes a provision under which a state defense order is approved only after the federal budget is adopted (17 Jul 95, 37)

19 Jul 95 — Duma adopts the Criminal Code of the Russian Federation which envisions punishments for violation of code and defends the rights and freedoms of citizens, their property, public order, and security (20 Jul 95, 31)

20 Jul 95 — Duma adopts an amendment to law "On Military Duties and Military Service" which changes the service commitment from two to one and a half years (20 Jul 95, 32; 24 Jul 95, 27)

*20 Jul 95 — Duma adopts a resolution, initiated by Women of Russia, calling for creating a rehabilitation system for servicemen who fought in Chechnya and their families (21 Jul 95, 25)

20 Jul 95 — Duma passes on first reading draft law "On Making Amendments and Additions to the Russian Federation Law 'On Defense' "(24 Jul 95, 27)

*21 Jul 95 — Duma ratifies Russian-Estonian treaty on the withdrawal of Russian armed forces from Estonia (vote: 259-2, 2 abstentions); Duma also ratifies the agreement on social guarantees for Russian army pensioners living in Estonia (24 Jul 95, 21)

*21 Jul 95 — Duma ratifies agreements on Russia's military cooperation with Tajikistan and Kyrgyzstan (24 Jul 95, 27)

POLITICAL AND LEGAL ISSUES

Executive Branch Relations

1 Jul 95 — Duma rejects a no-confidence vote in the government (vote: 193-117, 48 abstentions /226 needed to pass/, SOVETSKAYA ROSSIYA reported the vote count at 189-109, 47 abstentions /10 Jul 95, 1 (supplement)/); Prime Minister Chernomyrdin retracts earlier call for a confidence vote, addresses the Duma on the process leading up to the vote and issues a plea for mutual consultation to avoid political instability (3 Jul 95, 27)

4 Jul 95 — Council rejects law which would expand the list of officials appointed by the President of the Russian Federation with the Duma's consent; list includes prime minister, his deputies, and leaders of power ministries and departments; no explanation for rejection provided; Duma approved law on 21 June (5 Jul 95, 28)

4 Jul 95 — Council rejects law which would allow members of parliament to express no-confidence not only in the government as a whole but also in individual members of the cabinet; no explanation for rejection provided; Duma approved law on 21 June (5 Jul 95, 28)

4 Jul 95 - Council rejects law which would introduce the institute of parliamentary investigation as a tool of the parliament's control over the activity of bodies of power; no explanation for rejection provided; Duma approved law on 21 June (5 Jul 95, 28)

5 Jul 95 — Council consents to resignation request of Kuznetsov, head of Stavropol Territory administration and a Council member, to be released from his post on

the grounds that he believes he "had no moral right to remain the leader of the Stavropol Territory after the Budennovsk tragedy;" Council adopts a resolution recommending Yeltsin allow the election of a replacement to be held simultaneously with the Duma elections; Council also consents to release Deputy Prime Minister and Minister for Nationalities and Regional Policy Yegorov from post (6 Jul 95, 25; 17 Jul 95, 39)

7, 12 Jul 95 — On 7 July Duma adopts proposal to consider the issue of setting up a commission to impeach Yeltsin, however debate on issue postponed until 12 July (vote: 184-36); CPRF initiated impeachment motion with 165 signatures in support (7 Jul 95, 22); on 12 July Duma rejects motion to establish commission; LDPR withdrew support because of Yeltsin's hospitalization (vote: 168-19) (12 Jul 95, 20; 13 Jul 95, 17)

Internal Legislative Issues

7 Jul 95 — Duma fails to override Yeltsin's veto of the law that requires officials to attend parliamentary sessions when invited by deputies (vote: 234 for, 300 votes required to override) (10 Jul 95, 28)

20 Jul 95 — Council fails to override Yeltsin's veto "On Guarantees to Ensure Activity of the Federal Assembly Chambers" (vote: 87 for—118 votes required to override) (20 Jul 95, 32)

Political Parties and Political Life

5, 27 Jul 95 — On 5 July Duma adopts on third reading a bill on formation of the Council calling for nomination of members by legislative and executive power bodies and election by Russian citizens (vote: 255-12, 2 abstentions) (6 Jul 95, 14); on 20 July the Council fails to get a quorum for a vote on the law, but approves it on 27 July (vote: 90-61, 9 abstentions) (28 Jul 95, 35)

14, 21 Jul 95 — On 14 July Duma approves list of single mandate constituencies (vote: 283 for) (17 Jul 95, 31); on 21 July Council rejects the newly drawn electoral map and proposes creating a joint conciliatory commission (vote: 66-25, 5 abstentions) (24 Jul 95, 29; 26 Jul 95, 30)

Judicial and Legal Reform

7, 20 Jul 95 — On 7 July the Duma passes constitutional law "On the Referendum in the Russian Federation" establishing who has the right to participate, when it can be held, and how it can be initiated (vote: 337 for) (10 Jul 95, 28); on 20 July the Council receives the law, but lacks a quorum, and defers discussion/vote until its reconvening in early October (21 Jul 95, 26)

*12 Jul 95 — Duma passes law allowing parliament to make decisions on the sale of government-owned shares (13 Jul 95, 38)

18 Jul 95 — Council rejects federal law "On the Introduction of Changes and Additions to the Russian Federation law 'On the Russian Federation Prosecutor's Office'" (19 Jul 95, 40)

20 Jul 95 — Duma adopts federal law "On the Judicial System of the Russian Federation" which makes judicial authorities independent from legislative and executive branches (20 Jul 95, 31)

ECONOMIC POLICY

19 Jul 95 — Chernomyrdin addresses the Duma on status of 1995 economy: the revival in a number of industries, slowing of inflation, keeping the federal budget deficit within limits, strengthening of the ruble, and improvement of social sphere (19 Jul 95, 34); Chairman of Committee for Economic Policy Glazyev (DPR) disagrees with the report and demands a new vote of no confidence (19 Jul 95, 35; 20 Jul 95, 20); on 21 July Duma adopts a resolution that the government has failed to implement the basic provisions of the medium-term economic program for 1995-97 (vote: 229 for) (24 Jul 95, 28; 25 Jul 95, 33)

Budget, Taxes, and Banking

5, 19 Jul 95 — On 5 July Duma debates Paramonova's appointment as Central Bank chairman; after five repeat votes Duma decides to revisit the issue on 19 July (6 Jul 95, 25); on 19 July Duma once again rejects appointment of Paramonova (vote: 167-100, 13 abstentions); previous rejection was in November 1994 immediately following the dismissal of Gerashchenko as a result of the October ruble collapse (19 Jul 95, 38; 20 Jul 95, 29)

7 Jul 95 — Duma passes document clarifying the Sberbank privatization, ruling that it can be carried out only under a special law (10 Jul 95, 32)

7 Jul 95 — Duma passes law previously vetoed by Yeltsin "On Amendments and Riders to the RSFSR Law 'On Banks and Banking in the RSFSR'" (10 Jul 95, 32)

12 Jul 95 — Duma passes federal law to amend an earlier regulation establishing basics of Russia's taxation system; the document describes taxes and charges which shall be collected by federal, regional, and local governments: (1) local taxes reduced from 23 to 3 /land, property, estate/; (2) list of federal taxes shortened; (3) tax of securities abolished (13 Jul 95, 37)

12 Jul 95 — Duma adopts federal law on the order of consideration and approval of the 1996 federal budget;

budget must be submitted in draft to Duma before 1 August (13 Jul 95, 37)

*12 Jul 95 — Duma rejects Deputy Kalashnikov's (LDPR) proposal to raise minimum pension by 1.27 times by 1 August (13 Jul 95, 40)

*12 Jul 95 — Duma passes on second reading the law "On Salary Coefficients and Salary Grades of State Employees" (13 Jul 95, 40)

*18 Jul 95 — Council adopts a decree "On the Progress of the Fulfillment of the Federal Law 'On the Reclassifying of Debts Relating to Central Credits and the Interest on Them for Organizations of the Agro-Industrial Complex and Also for Organizations Which Deliver (Store and Sell) Output (Goods) to the Regions of the Far North and Areas Equated with It;'" on 6 June Council pointed out unlawful delay and requested bank within two weeks to reschedule debts and interest (19 Jul 95, 40)

18 Jul 95 — Council rejects federal law "On the Introduction of Changes to the Russian Federation Law 'On Excise Duties'" and requests Duma to set up a joint conciliation commission (19 Jul 95, 40)

*19 Jul 95 — Duma passes a law bringing national minimum wage level to 55,000 rubles, an increase of 11,700, on 1 August (20 Jul 95, 30)

*20 Jul 95 — Duma passes on first reading a law establishing a special economic zone in the Kaliningrad region with tax privileges to attract domestic and foreign investors (21 Jul 95, 25)

20, 28 Jul 95 — On 20 July Duma passes on first reading law "On Quarterly Distribution of Federal Budget Revenues and Expenditures for 1995," but rejects draft laws introducing changes and amendments to the 1995 Budget Law (24 Jul 95, 27); on 28 July Council rejects law because it considers that the expenditures are being unevenly distributed (31 Jul 95, 28)

27 Jul 95 — Council approves amendments to the law "On Income Tax for Natural Persons" which deal with the time limits for the transfer of tax to the budget (31 Jul 95, 26)

27 Jul 95 — Council rejects law "On the Procedure for the Payment of Insurance Fees to State Extrabudgetary Funds" on the grounds that it believes it will "lead to a considerable reduction of payment to the Pension Fund" and result in "delays in the payment of pensions" (31 Jul 95, 26)

Privatization and Bankruptcy Issues

5 Jul 95 — Duma passes draft law "On Depositing of Shares (Blocks of Shares) Reserved for Federal Ownership and on Turning Over Federally Owned Assets as Contribution to the Authorized Capitalization of Economic Partnerships and Companies" (vote: 260 for) (6 Jul 95, 29)

*12 Jul 95 — Duma passes law allowing parliament to make decisions on the sale of government-owned shares (vote: 255 for) (13 Jul 95, 38)

14 Jul 95 — Duma passes on first reading law "On Land Code," drawn up by Committee on Agriculture, which bans foreign legal entities and private individuals from private property ownership of land and permits only the leasing of it (vote: 230-43, 5 abstentions) (14 Jul 95, 34)

19 Jul 95 — Duma revotes and adopts the federal law "On the Securities Market;" the earlier version that the Duma adopted was rejected by the Council on 15 June and sent to a conciliatory commission (19 Jul 95, 38)

20 Jul 95 — Duma adopts on first reading law "On Trust Management of Property" (25 Jul 95, 31)

20 Jul 95 — Duma adopts on a second and third combined readings the law "On the Privatization of State-Owned Enterprises and General Principles for the Privatization of Municipal Enterprises in the Russian Federation" (25 Jul 95, 31)

Social Welfare

5 Jul 95 — Duma approves a reworked version of the law "On the Basics of Civil Service in the Russian Federation" (vote: 290 for); on 24 May Duma passed law in its original version, but it was later rejected by Yeltsin (6 Jul 95, 29)

12 Jul 95 — Duma passes law "On Amendments and Additions to the Law on Education" which ensures citizens' entitlement to education by the creation of a system of education and the appropriate socio-economic conditions for receiving it (13 Jul 95, 39)

12 Jul 95 — Duma passes law "On Minimum Subsistence in the Russian Federation" which grants all families with a joint income below the minimum subsistence to claim allowances (13 Jul 95, 40)

12 Jul 95 — Duma passes on second and third reading the law "On Employment of the Population in the Russian Federation" which specifies the status, rights, and guarantees of the unemployed (13 Jul 95, 40)

12 Jul 95 — Duma passes amendments to the law "On Social Protection of Citizens Affected by Radiation From the Chernobyl Accident" (13 Jul 95, 40)

*12 Jul 95 — Duma rejects Deputy Kalashnikov's (LDPR) proposal to raise minimum pension by 1.27 times by 1 August (13 Jul 95, 40)

*12 Jul 95 — Duma passes on second reading the law "On Salary Coefficients and Salary Grades of State Employees" (13 Jul 95, 40)

18 Jul 95 — Council rejects federal law "On Concessions for Fares for Students at General Education Schools and Students of Higher and Secondary Vocational Educational Establishments" and asks Duma to set up a joint conciliation commission (19 Jul 95, 40)

*19 Jul 95 — Duma passes a law bringing national minimum wage level to 55,000 rubles, an increase of 11,700, on 1 August (20 Jul 95, 30)

*20 Jul 95 — Duma adopts a resolution, initiated by Women of Russia, calling for creating a rehabilitation system for servicemen who fought in Chechnya and their families (21 Jul 95, 25)

Foreign Trade

7 Jul 95 — Duma approves law "On Government Regulation of Foreign Trade" (10 Jul 95, 29); Yeltsin rejects it, a conciliation committee reworks Article 16 to say that control over military exports is established under presidential edicts (previously parliamentarians were claiming the right to control military exports) and on 21 July Council adopts it (25 Jul 95, 33)

18 Jul 95 — Council rejects federal law "On the Introduction of an Amendment to Article 1 of the Federal Law 'On Some Questions of Granting Concessions to Participants in Foreign Economic Activity'" (19 Jul 95, 40)

21 Jul 95 — Duma adopts statement on Russia's interests in foreign trade saying the country needs a long-term strategy for developing its foreign economic relations and emphasizing swift accession to WTO and GATT (24 Jul 95, 28)

Agriculture, Environment

5 Jul 95 — Council rejects a statement on the crisis in the agro-industrial complex that terms the policy pursued by government as "anti-democratic and anti-state" (vote: 68-25, 3 abstentions) (6 Jul 95, 26)

5 Jul 95 — Council adopts a resolution on measures to ensure the federation's food security (vote: 107-3, 1 abstention) (6 Jul 95, 26; 17 Jul 95, 40)

12 Jul 95 — Duma passes on second and third reading law on oil and gas; first reading took place in the autumn of 1994 (13 Jul 95, 39)

18 Jul 95 — Council conducts hearings on Caspian Sea and suggests a single bio-economic system be set up to stabilize the region (19 Jul 95, 40)

21 Jul 95 — Council overrides Yeltsin's veto on the law on welfare provisions for the elderly and disabled (21 Jul 95, 25)

RUSSIAN REGIONAL ISSUES

6 Jul 95 — Council rejects law "On General Principles of Local Self-Government in Russia" on the grounds that the present wording is not in keeping with the state of economic and market relations in Russia and that the law insufficiently defines financial responsibility of local bodies and principles of property division" (6 Jul 95, 28); on 9 June Duma adopted law.

7 Jul 95 — Duma rejects Deputy Zhirinovskiy's (LDPR) proposal to end Groznyy peace negotiations (vote: 86-71, 2 abstentions) (7 Jul 95, 20); no explanation for rejection provided.

*7 Jul 95 — Duma tasks Chairman of Committee on CIS Affairs Zatulin (DPR) and Deputies Kalmykov (independent) and Lukyanov (CPRF) with preparing a request to the Constitution Court to rule on the ownership of Sevastopol (14 Jul 95, 35; 20 Jul 95, 7)

*12 Jul 95 — Duma adopts a resolution recommending that Yeltsin take additional legal, organizational, and other measures to ensure security in the Stavropol Region (13 Jul 95, 35)

*18 Jul 95 — Council adopts a decree "on the progress of the fulfillment of the federal law 'On the Reclassifying of Debts Relating to Central Credits and the Interest on Them for Organizations of the Agro-Industrial Complex and Also for Organizations Which Deliver (Store and Sell) Output (Goods) to the Regions of the Far North and Areas Equated with It;'" on 6 June Council pointed out unlawful delay and requested bank within two weeks to reschedule debts and interest (19 Jul 95, 40)

18 Jul 95 — Council rejects federal law "On the General Principles for Organizing Local Self-Management in the Russian Federation" and requests Duma to set up joint conciliation commission (19 Jul 95, 40)

*20 Jul 95 — Duma passes on first reading a law establishing a special economic zone in the Kaliningrad region with tax privileges to attract domestic and foreign investors (21 Jul 95, 25)

21 Jul 95 — Duma special commission on Chechnya, headed by Deputy Govorukhin (DPR), releases a statement saying it believes Yeltsin bears the main responsibility for the crisis (21 Jul 95, 24), but defers until autumn further consideration due to lack of unanimity within commission on the main conclusions and proposals for investigation (24 Jul 95, 20; 25 Jul 95, 28)

MEDIA ISSUES

4, 21 Jul 95 — On 4 July Duma Council adopts appeal of Chairman of Committee on Information Policy Poltoranin to Yeltsin not to replace any of the mass media top figures before 17 December parliamentary elections (5 Jul 95, 27); on 21 July Duma passes a resolution on subject (vote: 242 for) (21 Jul 95, 24)

13 Jul 95 — Duma adopts law "On Support for Rayon (City) Newspapers" prepared by the Committee on Information Policy, Communications (17 Jul 95, 31)

14 Jul 95 — Duma adopts a resolution calling on parliament and government to set up a special commission to reform federal radio broadcasting (17 Jul 95, 38)

21 Jul 95 — Council ratifies agreement 'On the International and Legal Guarantees for the Unhindered and Independent Implementation of the Activities of the Mir Interstate Television and Radio Company," signed by CIS heads in December 1993 (24 Jul 95, 29)

21 Jul 95 — Duma passes on first reading a bill which suspends any reorganization or privatization of state-owned TV or radio companies until a law on the issue is adopted (25 Jul 95, 32)

Abbreviations

CIS — Commonwealth of Independent States

CPRF — Communist Party of Russian Federation

DPR — Democratic Party of Russia

FSU — Former Soviet Union

GATT — General Agreement on Tariffs and Trade

LDPR — Liberal Democratic Party of Russia

NATO — North Atlantic Treaty Organization

OECD — Organization for Economic Cooperation and Development

PRC — Peoples Republic of China

RSFSR — Russian Soviet Federated Socialist Republic

U.S. — United States

WTO — World Trade Organization

Regional Affairs

Yeltsin Meets Krasnodar Leaders While on Vacation

LD1109085595 Moscow ITAR-TASS in English 0757 GMT 11 Sep 95

[By Irina Shchogoleva]

[FBIS Transcribed Text] SOCHI, September 11 (ITAR-TASS) — The Russian President who arrived for a vacation in Sochi on Sunday today met the leaders of the Krasnodar territory and the city of Sochi to discuss the region's outstanding problems.

Well-informed sources told ITAR-TASS that during his vacation in Russia's south, President Yeltsin will keep an eye on the developments in the former Yugoslavia, hold a number of working meetings and telephone conversations with members of the Russian cabinet of ministers on the issue in addition to his leisure activity.

President Yeltsin is expected to go hunting in the foothills of the Caucasian mountains not far from Sochi one of these days, the sources said.

The presidential press service also reported that during his vacations, the President sticks to his usual work schedule: "he gets up early to work intensively with papers."

On Sunday [10 September], his first day in Sochi, the president had a working meeting with State Duma Chairman Ivan Rybkin who briefed Boris Yeltsin on the outcome of the lower house's extraordinary session on September 9 to consider the latest developments in the Balkans.

Grachev Visits Yakutia; Meets President Nikolayev

LD0809143695 Moscow Radio Rossii Network in Russian 1200 GMT 8 Sep 95

[FBIS Translated Text] Russian Defense Minister Pavel Grachev, who arrived in Yakutia on Thursday night, has today visited the military training department of Yakutsk University and taken part in the opening ceremony for the new military hospital. He met Yakut President Mikhail Nikolayev and members of Yakutia's government. Our correspondent reported that in the course of the meeting, Grachev spoke in particular about the military reforms carried out in Russia and the plans to increase combat readiness of the troops deployed in Chukotka.

Navy Chief Gromov Ends Pacific Fleet Tour

LD0809155495 Moscow ITAR-TASS World Service in Russian 1003 GMT 8 Sep 95

[By ITAR-TASS correspondent Yevgeniya Lents]

[FBIS Translated Text] Vladivostok, 8 Sep (ITAR-TASS) — Admiral Feliks Gromov, commander-in-chief of the Russian Navy, today ended his tour of units and combined units of the Pacific Fleet.

According to a report received from the staff of the Pacific Fleet, the commander-in-chief of the Navy, accompanied by a group of admirals and senior officers of the Main Staff of the Russian Navy, from 31 August to 8 September examined the state of combat readiness, military discipline, and law and order, and also the course of preparations for the coming winter in the Pacific Fleet. During their trip, they inspected over 20 units of the Pacific Fleet from Kamchatka to the south of Maritime Territory and also staffs and directorates, combined units of the submarine and surface fleets, and units of the marines. From the results of the work of the commission, the state of all the services was assessed as satisfactory. A more detailed assessment will be presented when the commission arrives in Moscow, no earlier than 11 September.

Ossetian-Ingush Conflict Zone 'Remains Tense'

LD0909141295 Moscow ITAR-TASS in English 1107 GMT 9 Sep 95

[By Valeriy Shanayev]

[FBIS Transcribed Text] VLADIKAVKAZ, September 9 (ITAR-TASS) — The situation in the zone of the Ossetian-Ingush conflict, controlled by units of the Russian army, the Vladikavkaz border detachment and North Ossetian law enforcement bodies, remains tense, ITAR-TASS learnt from military sources here on Saturday, which stressed that special tension was registered in the Prigorodnyy district, North Ossetia, where refugees and displaced persons return from Ingushetia.

In compliance with the Russian president's decree, over 600 Ingush families are to return to four villages in that district, Valentin Burdin, acting chairman of the Russian temporary state committee on consequences of the Ossetian-Ingush conflict, said in an interview with ITAR-TASS.

More than 400 families have returned there as of today. The return of refugees to places of their former residence is hampered by unsatisfactory financing of repair and restoration work and slow rates of construction of housing and social infrastructure.

Burdin noted that the Russian government appropriated another 15 billion roubles for this purpose last week. All in all, the volume of financing totalled 45 billion roubles since the start of the current year.

However, according to estimates of specialists, nearly 500 billion roubles is needed for repair and restoration work in the zone of the Ossetian-Ingush conflict.

Speaking of progress in implementing an agreement to realise the Russian president's decrees on consequences of the Ossetian-Ingush conflict, which was signed by the North Ossetian and Ingush presidents in the city of Vladikavkaz on July 11, 1995, Burdin stressed that the government delegations of the two republics slackened the pace of talks on the return of refugees to places of their former residence.

He attributed this to the latest reshuffling of the North Ossetian cabinet but expressed hope that the dialogue between the Ossetian and Ingush sides would resume at the earliest.

The acting chairman also said that forces attached to the Russian temporary committee were put on alert to rebuff possible attacks and thwart terrorist acts by dispersed groups of Chechen rebels in the zone of the Ossetian-Ingush conflict, who are interested in destabilising the situation in the North Caucasian region.

Special control is exercised over areas bordering Chechnya, all transport lines as well as places of residence of refugees. There are 60,000 of them in North Ossetia alone.

Nizhniy Novgorod Hosts Seminar on Center, Regions

MM0809133595 Moscow ROSSIYSKIYE VESTI in Russian 8 Sep 95 p 1

[Unattributed report under the "Corridors of Power" rubric: "Seminars. The Center and the Regions"]

[FBIS Translated Text] The interregional seminar held at the Nizhniy Novgorod Oblast Administration 6-7 September developed into a frank and interesting exchange of opinions on problems of cooperation between the federal authorities and the regions on the path to the market. Participants in it included representatives of the Russian Government, leaders of a number of ministries and departments, and delegations from Kirov and Nizhniy Novgorod Oblasts and the Chuvash and Mariy El republics.

It is no coincidence that Nizhniy Novgorod was chosen as the venue for this important event. Many original and interesting programs for economic transformations originate and undergo the test of time here: In particular, there is interesting experience gained in implementing the land reform. Crop yields on reorganized farms have increased significantly, livestock production is increasing steadily, and wages have also risen.

Daily Views Regional Electioneering by Party Leaders

MM0809142995 Moscow SEGODNYA in Russian 8 Sep 95 p 3

[FBIS Translated Text] Groznyy — "It is time the Russian Federation leadership understood that the situation in Chechnya cannot be resolved without a drastic overhaul of policy in this republic," Mikhail Lapshin, leader of the Agrarian Party of Russia, said on arrival in Groznyy. He plans to be briefed on the activity by the party regional chapter. According to Lapshin, "a strong and influential peasants' organization has been created in Chechnya which is capable of producing a stabilizing effect on the situation in the republic."

Vladivostok — Mikhail Zadornov, chairman of the Duma Committee on Budget, Taxes, Banks, and Finances, has arrived in the city on a preelection visit. He said that "the Russian parliament has for no excusable reason delayed the adoption of a law on free economic zones." According to him, this delay aggravates the unfavorable climate for foreign investments in Russia. In the election campaign, Zadornov will head the Yabloko bloc election list in the Far East region.

Cheboksary — Mikhail Shmakov, chairman of the Federation of Independent Trade Unions of Russia, has arrived in the republic with the intention of meeting with labor collectives and representatives of regional trade unions. According to him, "the fate of the upcoming elections will be decided by Russian people in the provinces. I am sure that they will opt for reform in favor of the majority of the population."

Moscow's 'Most Hazardous' Industrial Plants Cited

MM0809155595 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 8 Sep 95 p 1

[Unattributed report: "Moscow's Most Hazardous Areas Have Been Defined"]

[FBIS Translated Text] The capital's industrial installations which pose a potential danger of technogenic catastrophes have been defined by Moscow Building Construction University experts on assignment by the city government.

The most explosion-prone enterprises in Moscow are located in Kapotnya (the Moscow oil refinery), Tarnyy Lane (the Atsetilen plant), Ugreshskaya Street (the Sintez joint stock company), and Khoroshevskoye Highway, 25 (Refrigeration Plant No. 7). Serious accidents are also possible at Thermal Power Station No. 7 (subsidiary of Power Station No. 12).

Experts have established that these enterprises, which use fire- and explosion-hazardous chemical substances, violate production procedures, which could lead to an explosion. Experts believe that in the event of an accident building structures may simply not withstand the impact owing to their "fragility."

Not all enterprises observe technological operation rules. Explosion warning systems are long past their service life and in dire need of replacement, but in some instances even these are nonexistent.

Economic Issues

Duma Official Views 'Tougher' 1996 Draft Budget

LD0809144295 Moscow INTERFAX in English 1314 GMT 8 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 8 (FIA-INTERFAX) — The 1996 draft budget offered to the State Duma for debate is tougher and more voluminous than its predecessor for 1995, but the chances of its adoption before the start of a new fiscal year are very high. So the Financial Information Agency was told by Alexander Pochinok, a member of the State Duma's Budget Committee on Friday at the end of the first session of a working group of Committee members.

Pochinok noted that in the 1996 draft budget "the government has cut off the whole fat of the reserve it had in 1995."

This budget has very low rates of inflation, averaging 1.2% a month. Its expenditures are much tougher. It provides for much bigger revenues, Pochinok noted.

However, in his opinion, it is not a deliberately toughened budget. "The government is in a situation where the deficit cannot be increased voluntarily," Pochinok stressed.

He predicts "a fight in the State Duma on separate new points in the 1996 draft budget, including the raising of value added tax from 20% to 21%.

Pochinok pointed out that although this budget "is much better, it will be far more difficult to adopt it," because, in his opinion, the State Duma has become a more competent parliamentary chamber and also because it will take quite some time to scrutinize several lengthy and overly scientific budget provisions.

However, Pochinok is optimistic that the budget "stands a chance of going through and is worth fighting for."

Central Bank Develops Mechanism To Avoid Crises

MK0809140495 Moscow DELOVOY MIR in Russian 8 Sep 95 p 2

[AFI report: "An Early Response System Has Been Developed To Prevent Critical Situations on the Interbank Market"]

[FBIS Translated Text] The [Central] Bank of Russia has developed an early response system that will allow it to avoid new critical situations similar to that which developed on the interbank credit market in late August. This was said in an exclusive interview in Vladivostok on Tuesday [5 September] by Aleksandr Khandruyev, first deputy chairman of the Russian Federation Central

Bank. In his words, the Russian Federation Central Bank is going to impose stricter oversight on banks and apply strict sanctions against those that "fail to keep an eye on the quality of their credit portfolio and build their capital assets."

In addition he noted that, along with measures to ensure the stability of commercial banks, the Bank of Russia will more actively develop the bank refinancing system.

"Banks should have direct access to the Central Bank so that, if there are temporary difficulties in attracting credit resources, they can promptly replenish their liquid assets," A. Khandruyev emphasized.

Central Bank, Securities Commission Dispute Policy

MK0909084595 Moscow SEGODNYA in Russian 8 Sep 95 p 1

[Report by Andrey Grigoryev: "Andrey Kozlov Accused Dmitriy Vasilyev of Lack of Expertise. Confrontation Between the Central Bank and the Federal Commission on Securities Comes Into the Open"]

[FBIS Translated Text] Yesterday, the Russian Federation Central Bank expressed its "categorical protest against a biased and utterly incompetent interpretation of the Central Bank's policy and operations on the state securities market" contained in a report by the Federal Commission on Securities [FCS]. (The report "On Problems in the Development of the Securities Market" was prepared recently by the FCS and submitted to the government. Ironically, [First Deputy Premier] Anatoliy Chubays ordered that it be sent "to be used in work" to all state agencies on a list that included the Central Bank.)

According to Andrey Kozlov, deputy chairman of the Central Bank and director of the Securities Department, his agency's patience was exhausted by the accusation in the FCS report that "the Central Bank is objectively interested in concealing information on the state short-term bond market" and the characterization of the state bond market as the most inefficient segment of the stock market. The Central Bank demands that the background of how the report was prepared and issued be studied by independent experts and proposes that the question of Dmitriy Vasilyev's lack of competence as the FCS' executive director be put on the agenda of the commission's next meeting. The Finance Ministry supports the Central Bank's reaction. Bella Zlatkis, head of the Finance Ministry's Securities and Stock Market Department, was straightforward: "Vasilyev's latest report is dilettantism in its highest degree."

According to Andrey Kozlov, the FCS' main problem is that it is attempting to copy experience from the United States in a mindless manner. Overseas practices, however, are not always applicable to the Russian reality and, specifically, to the stock market. This is further emphasized by the fact that new economic practices in Russia have not been established firmly enough yet, and many of the markets are still developing. "There are many things the Central Bank may be criticized for, but the least of them is the state short-term bond market," Mr. Kozlov believes.

The negative assessment of the current and future state short-term bond market has simply triggered an old confrontation between the Central Bank and the FCS. In addition to the state bond market, the Central Bank and the FCS are almost openly competing for control of the stock market infrastructure, especially the depository organizations. On the whole, the conflict boils down to a rivalry between two models of the financial system: the "German" one, with banks playing a major role on the stock market, and the "American" one, which favors nonbank investment institutions. The extent of the power and influence on the stock market of the Central Bank and the FCS is probably linked to the preference given to each model.

Commission Denies Bank Accusations

MK0909092195 Moscow SEGODNYA in Russian 8 Sep p 2

[Report by Elmar Murtazayev: "The Federal Commission on Securities Sees a Conflict of Interests in the Central Bank's Policy. Its Experts Do Not Accept the Central Bank's Accusations"]

[FBIS Translated Text] After the Central Bank accused leaders of the Federal Commission on Securities [FCS] of dilettantism and suggested that Dmitriy Vasilyev be dismissed from the post of FCS chairman because of his professional incompetence, SEGODNYA asked the FCS to comment. Since Mr. Vasilyev is now on a business trip, Dmitriy Subbotin, member of the FCS Expert Council, kindly agreed to answer your SEGODNYA correspondent's questions.

Mr. Subbotin said that no official documents had been received by the FCS. Therefore, he expressed his personal opinion on the Central Bank's accusations.

Mr. Subbotin regards Mr. Kozlov's statement accusing the commission of a biased assessment of the Central Bank's activity as unfounded. First, in the report "On Problems of the Development of the Securities Market," nobody attempted to accuse the Central Bank of seeking total control over the state short-term bond market. The report, in fact, only pictured the current situation on this market, where the Central Bank now has several functions: as a distribution agent of the Finance Ministry, a dealer, and an oversight agency. A conflict of interests is obvious here, since in performing its function as a dealer, the Central Bank can either use nor conceal information received as an oversight agency. For instance, when the Central Bank operates on the state short-term bond market, it is objectively interested in keeping information on the supply and demand pattern secret. Moreover, in the opinion of commission experts, the Central Bank's interests contradict state interests, in particular as regards the creation of a more transparent market.

It is noteworthy that the FCS is not alone in its misgiving. Earlier, a number of economists (Andrey Illarionov, director of the Economic Analysis Institute, and Sergey Aleksashenko, director of the Expert Institute) said that the Central Bank was withholding information concerning the money market and the state short-term bond market.

Mr. Subbotin believes that the Central Bank's anger could have been provoked also by a paragraph in the report which suggests that the number of participants having access to the primary auctions of state securities be expanded. In this case, greater competition will cut down or eliminate excess profit and, correspondingly, various misdeeds will be prevented. Defending the existing restrictions, the Central Bank claims that that this will lead to a higher risk that deals will not be fulfilled. Mr. Subbotin believes, however, that this argument is hardly valid since, under the current reservation system, such risks are nonexistent.

Commenting on the Central Bank's accusations, which reached him through unofficial channels, that the FCS is using $100 million inefficiently, Mr. Subbotin said that he did not quite understand what that meant. The Federal Securities Commission has never been allocated this sum, nor has it ever had it on its accounts. The most puzzling thing for him, however, is the accusation of nonfulfillment of the money privatization program. Indeed, under the existing delimitation of powers within the government, this accusation should be made against the State Property Committee, not the Federal Securities Commission.

'Natsionalnyy Kredit' Reorganization Under Way

MK0909075595 Moscow SEGODNYA in Russian 8 Sep 95 p 1

[Unattributed report: "Reorganization of the 'Natsionalnyy Kredit' Bank Has Started. 'Industriya-Servis' is Deducted, and the National Sports Fund is Added"]

[FBIS Translated Text] Rumors that the "Natsionalnyy Kredit" bank has been bought by the National Sports Fund [NSF], which started circulating several days ago, were confirmed yesterday by one of the bank's shareholders. Aleksandr Smolenskiy, president of "Stolichnyy Bank Sberezheniy" [SBS], which owns about 20 percent of "Natsionalnyy Kredit," said that the NSF "will participate in the reorganization of 'Natsionalnyy Kredit.'" He did not confirm, however, that Oleg Boyko had been removed from the bank's management. Judging by Mr. Smolenskiy's words, the NSF will receive a large block of shares. The SBS leader chose not to disclose details of the deal, claiming insufficient knowledge of the subject: "I am not a sportsman, you know."

According to some information, "Natsionalnyy Kredit's" problems were aggravated as a result of its unsuccessful operations in Singapore. Of late, the bank has fulfilled its liabilities to private customers with difficulty. Those who wanted to close their accounts, even those who were not closing them early, had to wait in line for days. Some days ago, the "Industriya-Servis" bank was disassociated from "Natsionalnyy Kredit." As is known, a few months ago the two banks merged. This, however, only brought negative results. The problems of the latter were not settled, and the situation of the former deteriorated. Now, the balances of the two banks have been separated, although the Central Bank has not yet endorsed this separation.

It is quite probable that "Industriya-Servis" was separated from "Natsionalnyy Kredit" together with a considerable portion of the united bank's debts. Moreover, this was done, as a minimum, to make "Natsionalnyy Kredit" look more attractive to new shareholders or, possibly, this was a precondition of the deal.

'Joint Financial House' Joins Securities Market

MM1109100595 Moscow KOMMERSANT-DAILY in Russian 9 Sep 95 p 9

[Report by Yana Mirontseva: "Yet Another 'Gold' Company Being Set Up. No Company Has Yet Been Created, But Its Objectives Have Already Been Defined"]

[FBIS Translated Text] The gold market in Russia is evolving, if only judging by the number of newly-created "gold" companies. On Thursday plans were announced to set up a Joint Financial House, which will comprise both gold miners and bankers.

The Joint Financial House declared that its creation has the objective of "realizing a mechanism for issuing and quoting on the stock market financial instruments actually secured by precious metals." One founder of the new company is "Solev-Management" company chief Lev Vaynberg, a person well known in the Russian gold business. Another member of the organizing committee — Dmitriy Gavrilov, who is, as a matter of fact, an organizer and leader of the Gold Club of Russia — has just recently started taking an interest in "gold" matters. The Financial House is expected to be organized according to the principle of a "commercial association."

On Thursday Lev Vaynberg and Dmitriy Gavrilov held a news conference devoted to the plans to form the Joint Financial House. Although the company has yet to be created and it would seem that it is too early to talk about its plans, the organizers proved to be immune to superstitions and chose to tell the mass media about their new project. In their words, the purpose of announcing it was to try favorably to dispose the public toward the "gold" undertaking by presenting the company as a pioneer of a new market of gold-denominated financial instruments.

The organizing committee members said also that they attempted to time the announcement of their plans for creating the company to coincide with the signing of the presidential edict "On Issuing State Securities Backed by Gold." On the day of the news conference the edict was released for official distribution. Yet, the extension of the ruble band, to all appearances, will have a negative impact on the development of the securities market.

As was stated at the news conference, 35 businesses expressed their wish to join the Joint Financial House. These include the Union of Gold Industrialists, the Union of Gold Mining Teams, several gold-mining teams, including "Amur" (it produces about 1 tonne gold a year), and also banks that operate on the gold market: Rossiyskiy Kredit, Zolotobank, Promstroybank, and Mapo-Bank. As for the commercial banks that are going to join the new organization, their list is in fact fairly representative. Rossiyskiy Kredit, for instance, is one of the most aggressive Russian banks on the emerging gold market. Zolotobank has been set up by gold producers themselves. Bankers, however, tend to become members of nearly all "gold" organizations set up in Russia. It should be noted that public organizations — the Union of Gold-Mining Teams and the Union of Gold Industrialists — will thus gain the chance to engage in business.

Yet another detail: Some time ago, the Gold Club of Russia association set the same goal as the Joint Financial House. But being a noncommercial organization, the club has been dealing primarily with problems of creating a legislative framework for the development of the gold market in Russia.

Licensing Eased for Far East Defense Firms

MK0909132695 Moscow SEGODNYA in Russian 9 Sep 95 p 2

[Unattributed untitled report from Vladivostok]

[FBIS Translated Text] The Second International Banking Congress held in Vladivostok ended with the signing of a joint declaration on the future prospects for cooperation and development of financial structures in the Asia and Pacific Rim countries. The final document emphasizes the need for state financial support for Russian commercial banks. As decided by the congress, a special bank is to be set up in the Far East before the end of the year, which will provide credit for the largest investment projects in the region.

Licensing of military-industrial complex enterprises for the right to export their products independently has begun in Maritime Kray. Export of products manufactured at local defense industry enterprises will help significantly in solving the funding problem and will make these enterprises less dependent on state orders.

Oil Companies Set Up Joint Research Institute

LD0909085795 Moscow Radiostantsiya Ekho Moskvy in Russian 0800 GMT 9 Sep 95

[FBIS Translated Text] With the support of the Ministry of Fuel and Power Engineering, a number of Russian oil companies have set up the National Oil Institute. The institute will function as a special fund for research in the Russian oil industry. Russian oil companies will share the financing of the institute.

International Affairs

Ukraine Urges End to NATO Action; Will Mediate

LD0909131195 Kiev UNIAR in Ukrainian
1140 GMT 9 Sep 95

[FBIS Translated Text] New York — In the evening of 8 September, the UN Security Council held an emergency sitting in New York, at the request of the Russian Federation, to discuss the situation in Bosnia-Herzegovina. The expediency of continuing NATO's air strikes against the facilities of Bosnian Serbs was the main issue under discussion in the context of the progress achieved in the peaceful settlement of the conflict; in particular, in the context of the fact that the foreign ministers of Bosnia- Herzegovina, Croatia, and the Federal Republic of Yugoslavia have signed the Declaration of Principles in Geneva.

Members of the UN Security Council and the Ukrainian delegation took an active part in the debate. Anatoliy Zlenko, Ukraine's permanent representative at the United Nations Organization, expressed the hope that the diplomatic breakthrough at the Geneva negotiations will lead to the development of the process of peaceful settlement in the Balkans.

Zlenko drew the attention of the members of the UN Security Council to Ukrainian President Leonid Kuchma's initiative regarding Ukraine's readiness to mediate in the consolidation of the peace process. In connection with this, he confirmed the invitation to the leaders of the Republic of Bosnia-Herzegovina, the Republic of Croatia, and the Republic of Serbia to hold negotiations in Kiev on the whole range of issues of the peaceful settlement in Bosnia- Herzegovina.

Pointing out essential progress in the peaceful settlement, achieved as a result of the Geneva agreements, Ukraine's representative raised the issue of stopping NATO air raids on the facilities of Bosnian Serbs. According to Zlenko, this move would contribute to the creation of a proper positive climate at the negotiations. The delegation of Ukraine also touched on the need to lift economic sanctions from the Federal Republic of Yugoslavia.

This has been reported by the press center of the Foreign Ministry of Ukraine.

Moroz Criticizes UN For Authorizing NATO Strikes

LD0909151695 Kiev UNIAR in Ukrainian
1140 GMT 9 Sep 95

[FBIS Translated Text] Kiev — "Ukraine does not accept sanctions as a form of interstate relations," [Ukrainian Parliament Speaker] Oleksandr Moroz has told journalists, "especially, if this concerns a state aggression. It is not only the states and nations directly subjected to sanctions that are affected by them, but also those who have nothing to do with this at all."

The Ukrainian parliament speaker said he rejects the use of the United Nations as an instrument for settling international conflicts. The United Nations is said to have authorized NATO to restore order in Europe. But would these actions, these air raids, be carried out if the Warsaw Pact still existed? It is not easy to answer this question. NATO was set up for different purposes, and it would be incorrect to use that organization under the aegis of the United Nations, even if its actions were authorized by the Security Council, especially as Russia is a member of the Security Council where the principle of veto works. Russia did not give its consent to air raids. Ukraine, one of the founding member states of the United Nations, did not give its consent either.

Therefore, it turns out that several states with an interest in how this or that event develops, or whose interests are not being served by the way events develop, are using military means to destroy a military force. However, it is first and foremost civilians who fall victims.

In my opinion, this is unacceptable in international relations, and if the Russian president were to put forward proposals to the Ukrainian president, it would be appropriate to take advantage of Leonid Kuchma's initiative to use Ukraine's territory as the venue for the peacemaking mission."

Journalists asked Moroz: Negotiations have been ineffective in settling the Balkan conflict. Would they be more effective if held in Ukraine?

Moroz emphasized that "any ineffective negotiating process is better than shooting. Any opportunity should be seized. After all, it is not ruled out that new ways of resolving the issue will be found during the mission. Reports by Borys Oliynyk, chairman of the Supreme Council's standing commission for foreign affairs and CIS relations, who has been in the conflict zone for a long time, prove that it will be very difficult to come to an agreement there. A territory should be found where people would listen to each other."

Marchuk: NATO Air Strikes 'Not the Best Solution'

LD0809211395 Moscow INTERFAX in English
1846 GMT 8 Sep 95

[FBIS Transcribed Text] Chigirin, Cherkassy Region, Sept 8 (INTERFAX-UKRAINE) — The air bombardment of Serb positions around Sarajevo by NATO jets "is not the best possible solution," Ukrainian Prime

Minister Yevheniy Marchuk told journalists in Chigirin, Cherkassy region of Ukraine, Friday [8 September].

Marchuk said that Ukraine is consistent in advocating a peaceful resolution of the Yugoslav conflict.

In his words, preparation is underway in Ukraine for implementing the Ukrainian plan of having the three warring parties in Yugoslavia negotiate.

"We in Ukraine are now carefully studying the developments in NATO and Russia," Marchuk said.

He emphasized that the UN sanctions against Yugoslavia do severe harm to the Ukrainian economy.

Article Warns of Russian Attempts To Arm Serbs

AU0809160895 Kiev MOLOD UKRAYINY in Ukrainian 7 Sep 95 p 1

[Article by Yuriy Bryazhunov: "Not To Become a Laughingstock Again"]

[FBIS Translated Text] A few years ago, reports of detaining ships in Odessa ports and along the Danube that were carrying strategic cargo for the Serbs, ships that were on their way to the territory of the former Yugoslavia, gave rise to international outrage. That was mainly the cargo of the "big brother" who tried to deliver weapons and oil to one of the warring sides not from his own, but from Ukrainian territory.

The situation is now becoming further exacerbated. Following the Croatian offensive, the Serbs have lost large territories within this young independent country [Croatia]. Thousands of refugees have found themselves in Serbia, and their life is not easy. There is no question about that. Sanctions against Serbia do not allow wide-scale assistance to the civilian population. However, Russia undertook shipment of three superaircraft along with cargo that was allegedly meant for civilian refugees.

Later, our northern neighbor stated that future deliveries will be by railroad. Here, several questions arise. First, by which route will the trains from Russia run? As far as we are concerned, the international Moscow-Belgrade train has always proceeded across Ukrainian territory. Therefore, freight trains can also proceed along this route only. However, this entails yet another question — the main one: How will the international community control this action? It is possible to pack not only condensed milk and blankets, but also Kalashnikov assault guns and antitank hand grenades into containers that will be in large amounts on the very long trains. Not to mention missiles and shells for "Grad" or "Smerch" launchers. While aircraft may somehow be inspected before the takeoff or after the touchdown, it is hardly possible for any international UN commission to at least look at the content of a medium-sized train of between 70 and 80 cars within a limited period of time. How many such cars or trains may there be altogether? — This is one more question. All these "goods" will again sneak through our beloved Ukraine. Won't we again become a target for criticism and a negative attitude on the part of the world community as accomplices to yet another manifestation of our indefatigable neighbor's immorality? We may be admonished, not without reason, for failure to check what they carry and for allowing them through. Why did we turn a blind eye to everything?

However, our customs officers and border guards will hardly be able to inspect all corners of the freight trains whose documents will read that this is "humanitarian" cargo.... Besides, are all of our customs officers that conscientious?

There is one more point: the payment for crossing our territory. If these dubious trains sneak through Chop [a border town in western Ukraine], we would have had at least some compensation for the enormous moral damage that we may suffer if it is revealed that the Russians delivered weapons, and not medicines or bed sheets across our territory. Incidentally, this issue must not be among the last on the agenda of negotiations with the Russian side on withdrawing weapons from the Dniester Region planned for the near future. If we do take risks, we must know what it is worth.

Despite the carnage in front of St. Sophia's Cathedral to the whistling of the Berkut [special-purpose detachment] cudgels during the "black Tuesday" funeral [of Patriarch Volodymyr on 18 July], Ukraine still has the image of a trustworthy and decent young country, unlike some of our neighbors. That is why we must keep a close watch on the next escapade by the "defenders" of Serbian brothers, lest we should again become a laughingstock because of somebody else's tricks and tear our hair in despair. It is time that we stand up for our prestige and our good name in the eyes of the world community. We must once and for all wean our restless neighbors from using uncivilized methods in the family of civilized nations.

Ukraine May Be 'Buffer' State Between Military Blocs

LD0909183995 Moscow INTERFAX in English 1654 GMT 9 Sep 95

[FBIS Transcribed Text] Ashgabat, Sept 9 (INTERFAX-UKRAINE) — Ukrainian Foreign Minister Hennadiy Udovenko believes that NATO's expansion may lead to the fact that Ukraine will appear "between the two blocs in the role of a 'buffer' state".

"This is a painful question for Ukraine," said the minister, answering on Saturday the question by the INTERFAX-UKRAINE special correspondent, in the course of his visit to the Turkmen capital city of Ashgabat.

At the news conference in Moscow on Friday, Russian President Yeltsin said about the possible creation of a new bloc on the territory of the former Soviet Union in case of NATO's expansion.

Answering the question on his country's membership in any military blocs, Udovenko said that Ukraine, in line with the Declaration on Sovereignty and the Constitution, is the state, which joins no blocs. "And we proceed from this," said Udovenko.

At the same time, Udovenko confirmed that he intends to submit in Brussels on September 14 an individual partnership program "Ukraine-NATO" in line with the formula "16+1". He described this event as "very important for Ukraine".

Explanation of Yeltsin BSF Remarks Called For

LD0809204195 Moscow INTERFAX in English 1852 GMT 8 Sep 95

[FBIS Transcribed Text] Kiev, September 8 (INTERFAX-UKRAINE) — Volodymyr Horbulin, Secretary of the National Security Council to the President of Ukraine, said that he did not understand what change in Ukraine's stand on the Black Sea Fleet [BSF] issue was meant in the statement by the Russian President.

Addressing a press conference in Kremlin on Friday, Boris Yeltsin mentioned as one of the main causes behind the delay of his visit to Kiev the allegation that agreement on the Black Sea Fleet problem was being "again put off" and expressed "astonishment" at the stance of President Kuchma, who, as Boris Yeltsin put it, had revised the accords reached earlier on the BSF.

Volodymyr Horbulin expressed the wish that Russian Federation's Foreign Minister should give an official explanation on this issue.

The Secretary of the National Security Council recalled that he had attended all the negotiations on the Black Sea Fleet held both in an enlarged and narrow circles.

Volodymyr Horbulin also said that after this statement by the Russian President he did not "see any cause" for a change on Ukraine's stand vis-a-vis NATO.

Earlier President Kuchma repeatedly said that the process of an expansion of NATO should be "gradual". At the same time, as the President of Ukraine put it, no country should have the right to veto the accession of another country to that block.

Addressing a press conference on Friday President Yeltsin declared against an eastward expansion of NATO. The Russian President described the idea of an expansion of the North Atlantic Alliance as a "major political error". The President noted that "the situation in the Balkans is a sure indicator of what may happen when NATO comes closely to the Russian Federation's border."

Speaking on his vision of NATO in the future, the Russian President noted that "NATO should not be an armed organization." In his view, a foundation of stability in Europe "should be a political organization, with the participation of Russia, having joint armed forces of which representatives of all the member-countries should take command in turn. [no closing quotation marks as received]

'Consistent' Stance on BSF Defended

LD0809203295 Kiev Radio Ukraine World Service in Ukrainian 1900 GMT 8 Sep 95

[FBIS Translated Text] Radio Ukraine World Service has received a statement from the Ukrainian Foreign Ministry:

The mass media have been circulating Russian President Boris Yeltsin's utterances at a Moscow news conference concerning an assessment of Ukraine's position on issues of the Black Sea Fleet's division. The Ukrainian Foreign Ministry is authorized to state that our state's position on this problem remains consistent, unchanged, and constructive. In particular, it is based on the accords reached during the meeting of the Ukrainian and Russian presidents in Sochi on 9 June, which opened up possibilities for settling the problems of dividing the Black Sea Fleet.

Two [words indistinct] agreements have practically been coordinated. The Ukrainian side has handed over another two drafts to the Russian Federation for elaboration.

On 23 August the Ukrainian president sent a personal letter to the Russian president, proposing that the negotiating process be advanced, and made specific proposals for this. On 27 August the head of the Russian Government was invited to Ukraine for the purpose of continuing the talks on the Black Sea Fleet problems. On 1 September a note from the Ukrainian Foreign Ministry was passed to the Russian side, proposing that discussion of this problem be continued at the level of experts. On 7 September a letter from Prime Minister

Yevheniy Marchuk was passed to Viktor Chernomyrdin, the head of the Russian Government, with additional proposals.

Unfortunately, so far no reply has been received from the Russian side to a single one of the above-mentioned proposals by Ukraine. Ukraine's consistent and objectively balanced position has not experienced fundamental changes over the whole period of the Ukrainian-Russian talks. The Ukrainian president is steadfastly adhering to the course laid down in the Sochi accord. Ukraine is striving for a settlement of the Black Sea Fleet problem, still a stumbling block on the path of the development of fruitful and friendly relations between Ukraine and Russia, as soon as possible.

Striving for an all-round expansion of good-neighborly relations with Russia, the Ukrainian Foreign Ministry also recalls the accord between the Ukrainian and Russian presidents on our states' heads of government meeting once a month. Unfortunately, this accord is not being implemented either.

Ukraine will continue to proceed from the fact that it is connected with Russia's people by a common history and culture, economic and other interests. Our state is constantly striving for the strengthening of friendly relations with the Russian Federation on the basis of the universally-accepted principles and norms of international law. An immediate settlement of the Black Sea Fleet problem will undoubtedly facilitate the achievement of this aim. This was a statement by the Ukrainian Foreign Ministry.

Marchuk Denies Kiev 'Changed Its Mind'

LD0809211095 Moscow INTERFAX in English 1846 GMT 8 Sep 95

[FBIS Transcribed Text] Chigirin, Cherkassy Region, Ukraine, Sept 8 (INTERFAX- UKRAINE) — Ukrainian Prime Minister Yevheniy Marchuk said that Ukraine and its president have never departed from the Sochi agreement on the Black Sea Fleet.

Asked by INTERFAX-UKRAINE to comment on Russian President Boris Yeltsin's statement to the effect that Ukraine had changed its mind about the division of the Black Sea Fleet, Marchuk said that the statement was unjustified.

Marchuk said that the issue of the fleet is that of Ukrainian territory and sovereignty and presence of foreign troops on its soil even though these troops were sent by a friendly country.

He recalled that Ukrainian and Russian experts have largely drafted agreements on the parameters of the fleet division and the status of the Russian fleet in Ukraine. Marchuk said, however, that Ukraine wants also to have an agreement on mutual payments without which these two agreements will not work.

He described the absence of an understanding on Sevastopol as the main stumbling block.

In his words, 89 percent of the Black Sea Fleet infrastructure are in Sevastopol. Ukraine is prepared to let Russia use 71 installations which will enable the Russian part of the fleet to operate but Russia insists on having all the installations in Sevastopol, Marchuk explained.

Moroz: BSF Problem Will Be Solved

LD0909154795 Kiev UNIAN in Ukrainian 1255 GMT 9 Sep 95

[FBIS Translated Text] Kiev Region — "I do not believe that there is a stalemate in the Ukrainian-Russian negotiating process as regards the Black Sea Fleet. We are now going through another stage on way towards the final solution of the problem," Chairman of the Supreme Council of Ukraine Oleksandr Moroz has told UNIAN, commenting on the latest statements by Russian President Boris Yeltsin concerning the Black Sea Fleet negotiations. According to Moroz, "politicians sometimes make assessments at the peak of their emotions, but inasmuch as the problem needs to be solved without bias, it will definitely be solved".

Moroz believes that the protraction of the signing of the Treaty on Friendship, Cooperation and Partnership between Ukraine and Russia should not be dramatized and there is no need "to pray to it, as if it is an icon, or to make a fetish of it". "People write agreements but sometimes fail to fulfil them," Moroz remarked. "We need the agreement; primarily, as a process which shows that representatives of both states are wise people who are able to come to an agreement proceeding from common interests," Moroz emphasized.

Kiev Active in Schemes for Caspian Oil, Gas

MM1109094195 Moscow KOMMERSANT-DAILY in Russian 9 Sep 95 p 4

[Report by Viktor Zamyatin: "Kiev Keeps a High Profile on the Caspian While Looking Back Over Its Shoulder at Moscow"]

[FBIS Translated Text] Tripartite meetings of states interested in developing Caspian gas and oil deposits have become a tradition. The first to hold such a meeting were the foreign ministers of Ukraine, Turkmenistan, and Iran last spring in Tehran. Then triparitie negotiations were held between Turkmenistan, Ukraine, and the Czech Republic and Slovakia respectively. Yesterday the heads of the diplomatic departments of Turkmenistan, Ukraine, and Iran met in Ashgabat.

Kiev is to respond to its gas creditor — Turkmenistan — on a time frame for repaying its debt. According to Ukrainian Foreign Minister Hennadiy Udovenko, Ukraine has drafted a project for a "tripartite repayment" of the considerable debt (the Ukraine authorities are in no hurry to disclose its size). The project apparently contains a proposal to Iran and Turkmenistan, who are extremely interested in Ukraine metallurgy and machine-building products, for the debt to be repaid by Ukraine's supplying these products to Tehran which in its turn will make settlements with Ashgabat.

The discussion of Caspian projects added up to building a network of oil and gas trunklines allowing black gold to be pumped directly to Europe: for instance, via Czech territory. Kiev will design and build a number of trunklines. Kiev cites the Baku-Batumi oil pipeline, in its time fully built and equipped by Ukraine, as an example of its experience in such an undertaking. A number of contracts may soon be signed between Ukraine and Turkmenistan on building new and modernizing old oil and gas pipelines. At the same time Ukraine is offering its services in prospecting and developing Caspian deposits. In so doing, however, Kiev does not forget that the spigots on all Turkmen gas pipelines are in Russia and therefore favors coordination of these question with Moscow.

Foreign Minister Udovenko Leaves for Turkmenistan

LD0909134095 Moscow ITAR-TASS in English 1330 GMT 9 Sep 95

[FBIS Transcribed Text] KIEV, September 9 (ITAR-TASS) — A Ukrainian delegation led by Foreign Minister Hennadiy Udovenko left for Turkmenistan on Saturday on a two-day visit at the invitation of Turkmen Foreign Minister Boris Shikhmuradov.

During the visit, the Ukrainian delegation will take part in the second round of tripartite talks on economic cooperation between Ukraine, Turkmenistan and Iran, the Ukrainian Foreign Ministry told Ukrinform.

During the first meeting in Tehran in the spring of 1995, the Ukrainian, Turkmen and Iranian delegations discussed the potential and prospects for economic cooperation.

In Ashgabat, the three sides will work out projects of joint cooperation, in particular in the field of the extraction of gas and oil in the Caspian region, the building and modernisation of existing oil and gas pipelines and other spheres.

The delegation will also discuss the procedure for and form of mutual payments.

Udovenko on Trilateral Cooperation

LD1009134795 Tehran IRNA in English 1235 GMT 10 Sep 95

[FBIS Transcribed Text] Ashgabat, Sept. 10, IRNA — Ukrainian Foreign Minister Hennadiy Udovenko here Sunday [10 September] lauded Iran's efforts to restore stability and security in the Caucasus and Central Asia as well as in the Balkans.

In an interview with IRNA, Udovenko announced his country's willingness to contribute to the implementation of industrial and economic projects in Iran and underscored the need to strengthen Tehran-Ashkhabad-Kiev trilateral cooperation.

Referring to the "growing" Tehran-Kiev relations, Udovenko said that Ukrainian Prime Minister Yevheniy Marchuk was to visit Iran this year after a session of the Tehran-Kiev joint economic commission.

He expressed hope that President Akbar Hashemi-Rafsanjani would also visit Ukraine next year following Marchuk's Tehran visit.

The Ukrainian Minister termed Tehran-Ashgabat-Kiev trilateral cooperation as a "very good" model for regional cooperation to follow and expressed satisfaction with outcome of talks held by economic experts of the three countries.

National Affairs

Lazarenko Appointment Meets With 'Varied' Approval

WS0809112995 Kiev INTELNEWS in English 0302 GMT 8 Sep 95

[By Oksana Hasiuk and Ed Zwirn, "Special to Intel-News"]

[FBIS Transcribed Text] Kiev, Sept 7 — Dnepropetrovsk Gov. Pavlo Lazarenko arrived in his Kiev office Tuesday [5 September] to assume the post of first deputy prime minister.

The long-time associate of President Leonid Kuchma is now second only to Prime Minister Yevhen Marchuk in Ukraine's governmental hierarchy. As such, he is the only official authorized to assume the prime minister's functions in his absence.

Lazarenko, 42, who was reportedly reluctant to come to Kiev before implementing several projects in the oblast he was appointed to lead in July, was formally appointed to the post by a Tuesday presidential decree.

His appointment, which had been widely expected since Kuchma began reconstituting his Cabinet of Ministers this summer, was greeted with approval from varied political circles.

Oleksandra Kuzhil, deputy head of the parliamentary Economics Committee and a member of the Liberal faction in Parliament, said she knew Lazarenko for a long time.

"Lazarenko is a strong-willed individual," said Kuzhil. And, she added, "a very good pragmatist" acquainted with all spheres of economic life.

"I know that when you talk with Lazarenko about agriculture, he knows this topic, if you talk with him about transportation, he knows this topic too," he said, noting Lazarenko's experience at different levels of government.

Communist Valentyna Semeniuk, who is a member of the Agriculture Committee said the committee members as well as members of the her party "accepted with satisfaction the president's decision to appoint Lazarenko."

"Lazarenko is an economist and agrarian sector representative," said Semeniuk. According to her, Lazarenko "clearly understands that there is no other way for the rebirth of the Ukrainian economy the rebirth of the villages." [as received]

The Communist deputy credited the Dnepropetrovsk governor with building roads and improving water and natural gas supplies during his brief tenure of office in the oblast, which she said was the only region of Ukraine where agricultural production had not dropped this year.

"We need people who know not only theory, but also know practice," she said.

"Today only by state regulation is it possible to build the economy of an independent Ukraine," said Semeniuk. "And I think Lazarenko understands this."

Lazarenko started his career working as a driver in Dnepropetrovsk oblast. After serving in the army and graduating from the Dnepropetrovsk Agricultural Institute, he worked in the agricultural and industrial complex.

From 1985 to 1990, he worked as the chairman of the agricultural department at the Communist Party Dnepropetrovsk oblast committee. Later he was appointed the head of Dnepropetrovsk oblast agricultural and industrial complex.

In 1994, Lazarenko was elected Dnepropetrovsk oblast deputy council chairman. In July he was appointed governor. He is married and has three children.

Crimean Local Elections Reported Valid

LD1009185395 Moscow ITAR-TASS in English 1847 GMT 10 Sep 95

[By Lev Ryabchikov]

[FBIS Transcribed Text] Simferopol, September 10 (ITAR-TASS) — Local by-elections in Crimea on Sunday [10 September] were reported valid. According to preliminary information, the turnout was 53.8 per cent.

The peninsula was electing 37 mayors and 948 deputies of local councils who were not elected in the first two rounds in June and July.

The polls were organised in response to the orders from Kiev to do everything possible to get local councils reelected. The Ukrainian authorities even promised to resume Russian Public Television broadcasts on channel one and continue the Russian- dubbed telecasts of the Santa Barbara soap opera whose characters have lately begun speaking Ukrainian.

To lure people to polling stations in Yalta, the city authorities organised a lottery: along with a ballot, every voter received a free lottery ticket.

Ubiquitous posters in Simferopol urged the electorate to vote for notable citizens. However, some of them appeared to be outdated.

Deputy Chairman of the Crimean parliament Aleksandr Ryabkov quit the election race and called on his supporters to vote for Valeriy Yermak, the present city council chairman.

Meanwhile, Crimean parliament Chairman Yevgeniy Suprunyuk urged the residents of Feodosiya to vote for their Mayor Dmitriy Novitskiy. He also advised Yalta's electorate to elect economist Nikolay Diskin or Crimean parliament member Viktor Nikolayev.

Suprunyuk said all incumbents should be re-elected for a new term, adding that the Crimean economy can be seriously affected if new people are elected to responsible posts.

Border Officials Inundated With Illegal Immigrants

WS1109105295 Kiev INTELNEWS in English 0039 GMT 11 Sep 95

[FBIS Transcribed Text] Kiev, Sep 8 — Of approximately 11,500 border-crossing violations registered in

Ukraine this year, only 46 criminal cases have been prosecuted, State Border Committee officials said Friday [8 September] at a Foreign Affairs Ministry Board meeting dedicated to fighting crime.

Border officials said they lack the authority to prosecute or bring charges against offenders, resulting in little prosecution.

So far this year, 44 million people from more than 150 countries have traversed Ukrainian borders.

Of border violaters, the committee said, more than 70 percent are foreign citizens, with about 60 percent stopped at the Belarusian, Russian and Polish borders.

Border officials said this year they have eliminated more than 70 channels of illegal immigration into Ukraine as well as 35 criminal groups that were arranging illegal passage into the country.

The Foreign and Interior ministries have worked out a new visa program, including a computerized system, with a central data bank within the Foreign Ministry, Vasyl Koval, Foreign Ministry Consular Division head, said. Ministry experts think that although the technology is not expensive, Ukraine cannot develop it because of financial problems, Koval said.

Ukraine should also discontinue the use of tourist vouchers, Koval said, because they assist undesirable foreigners to enter Ukraine" [quotation marks as received] thereby worsening the criminal situation.

Problems with falsified documents have increased this year, border officials revealed.

The consular division of the ministry said its staff was overloaded with work, having only four consular officers in Kiev who must process documents for Ukraine's 55 consulates abroad.

Illegal Vietnamese Immigration Viewed

WS1109104795 Kiev URYADOVYY KURYER in Ukrainian 31 Aug 95 p 6

[Article by Ivan Hromyak: "Beware: Illegal Immigration" — Vietnamese names as published]

[FBIS Translated Text] **With the assistance of the Ukrainian Security Service press center, our reporter witnessed the event that took place at Kiev's Boryspil Airport on 22 August. The things he saw and heard there were used as a basis for writing this article. The author also used informational materials submitted to a group of journalists by officers of the Kharkov Oblast Security Service Directorate, given that the following article deals with the situation in that particular region of Ukraine.**

An hour before the takeoff of a plane, armed policemen escorted a medium-tall muscular Vietnamese from a van to the airport building. Some passengers wanted to know whether a film was being made. Everything went on in an everyday peaceful atmosphere. The "hero" looked very calm, and outside observers found it hard to comprehend the necessity for those kinds of safety precautions. The people simply did not know....

Criminal proceedings were instituted in December 1994 by the Kharkov Oblast Security Service Directorate against Vietnamese citizen Pham Quang Loc, who arrived in the USSR in 1991 as a tourist, using a counterfeit passport issued to another person. One month later, the "guest" came to Ukraine by train, and "served" there until the moment of his detention. It has been revealed that when living in Kharkov for three years, the "tourist" belonged to the "Vietnamese Community" internal security service, and "ensured" public order in the Vietnamese colony and on the "Vietnamese" flea market located inside the Central Kolkhoz Market. He committed aggravated assault on one of his compatriots, hitting the latter with a hammer to rob him of his property. Acting together with the head of the "internal security" group, Lok participated in "spotting" two other Vietnamese citizens involved in physical violence as well as in other criminal activities. In August 1993, he managed to receive a new passport in the [Vietnamese] Embassy, issued in the the name of Pham Ngoc Tu. That document was used for illegal residence on Ukraine's territory and fictitious registration as a student of Kharkov State University. Those and other "actions" entailed criminal responsibility. On 22 May 1995, when the investigation was under way, "the watchman of internal security" repented his actions and filed an appeal to have the individual deported to Vietnam. By agreement with the Vietnamese Embassy in Ukraine, the deportation "ceremony" was held at Ukraine's state border at... Boryspil International Airport. At 1730 the plane departed for Moscow and the police van left for Kharkov, where the problem of illegal migration remains extremely acute.

Kharkov Oblast, "thanks" to the proximity of the "porous" border with Russia, a developed communication system, dense population and a great number of educational institutions, including non-state institutions, has become a favorite zone for the activities of organized criminal groups involved in illegal migration. For instance, along with 10,000 foreigners legally residing in the oblast, around 5,000 "guests and tourists" are illegally staying there. One can observe a clear trend toward an increase in the number of illegal aliens in the region. At the same time, there has been an increase in the number of applications filed by various groups, mostly non-state organizations, requesting permission to host foreigners. Many violators of the state border do not have visas or ID's, or use counterfeit documents. The presentation of UN refugee certificates has become a wide-spread phenomenon.

Foreigners are engaged in the activities of more than 750 commercial structures with various kinds of proprietary status registered in the oblast. Foreigners who have the status of managers of joint ventures or foreign economic entities have grounds to be registered by the Interior Ministry and to receive visas for all countries of the world. They do not need employment permits issued by Ukraine's Employment Center. Given the complaisant stance of the oblast employment center, this category of people receive employment permits on the basis of false data and for posts that can only be occupied by Ukrainian citizens. Some 112 employment permits were issued to foreigners in 1994, while in the first quarter of 1995 that number amounted to 109, including 50 permits issued to the Vietnamese.

According to certain data, the monthly turnover of "Vietnamese" capital in one out of six Kharkov markets stands at $1 million. It is clear that except for the fee paid for the use of market space, which is 50,000 karbovantsi [K], no taxes are paid to the State Treasury. Despite the housing problem, 11 high-rise buildings and compounds in Kharkov, according to competent agencies, are occupied by the Vietnamese. Enterprise managements, under all kinds of pretexts, expelled many workers from former hostels and later leased those hostels. This is, so to speak, a matter to be considered by all those involved in the "case." Illegal migration is starting to "bear fruit." How can we prevent this phenomenon and its consequences?

Experts maintain that we urgently need an immigration law which would determine both what to do with newcoming immigrants and with those foreigners who have lived in Ukraine for years. It would be worthwhile to sign agreements which would grant us the right to deport illegal immigrants and to make those states from which immigrants arrive cover all costs. So far, a legal vacuum exists in this field. We need a database for the registration and control of foreigners. Fines should be considerably increased, given that K33,000 cannot be compared to the fine imposed in Russia, which is $150. The state spent K180 million on "maintenance" of Loc, mentioned at the beginning of the article. It should be admitted that the cost of Loc's travel to Hanoi was compensated for during law enforcement bodies' successful operations on Vietnamese contraband routes in Ukraine. However, the Vietnamese colony continues to exist....

G-7 Scheme For Closing Chernobyl Plant Rejected

LD0809145895 Moscow ITAR-TASS in English 1340 GMT 8 Sep 95

[By Mikhail Melnik]

[FBIS Transcribed Text] Kiev, September 8 (ITAR-TASS) — Ukraine turned down a G-7 scheme of shutting the Chernobyl nuclear plant and said it would rather follow a plan of its own, a source in the republic's Nuclear Power Ministry told ITAR-TASS on Friday [8 September]. The cabinet even did not agree to discuss the World Bank project providing that losses from closing down the units would be covered through the refurbishment of the country's heat power plants.

Ukraine demands that the West pay 4.4 billion U.S. dollars for the construction of steam-gas utilities to serve as alternative energy sources. "If the West keeps insisting on its plan, it is highly likely that the Ukrainian government will decide on the Chernobyl plant reconstruction and will use it until the country obtains funds to close it down," the source said.

Lugansk Council To Reinstate Russian Public TV

LD0809212495 Moscow ITAR-TASS World Service in Russian 1458 GMT 8 Sep 95

[By ITAR-TASS correspondent Anatoliy Gordeyev]

[FBIS Translated Text] Lugansk, 8 Sep — A session of Lugansk regional council has resolved to return Russian Public Television programs to the first frequency channel in full. Naturally, funds need to be allocated for this. But judging by the picket of more than 500 representatives from the left and left of center parties, and also Lugansk region's Community of Don Cossacks — which went on as the session sat — the Luganskites are prepared for some sacrifices for the sake of the broadcasts to which they are accustomed. Thus Lugansk region is the sixth Ukrainian region to return Moscow television to the channel the television viewers are used to, regardless of the notorious instruction by Zinoviy Kulyk, chairman of the Ukrainian State Committee for Television and Radio. The authorities of Nikolayev, Odessa, Donetsk, and Dnepropetrovsk regions, and also the autonomous republic of Crimea, have already done this.

'Sea Start' Set To Save Money for Space Launches

MM0809143695 Moscow KOMMERSANT-DAILY in Russian 8 Sep 95 p 9

[UNIAN report: "Ukraine Intends To Save on Own Satellite Launches"]

[FBIS Translated Text] Ukraine is interested in the earliest possible implementation of the international

Sea Start project to develop a sea-based missile-space complex for commercial launches of Ukraine's Zenit booster rockets, Aleksandr Negoda, general director of the Ukraine National Space Agency, said. According to him, next year this project will be effectively ready. Sea Start provides for the creation of a sea-based missile space complex with the participation of the United States, Norway, Russia, and Ukraine. Participants in the project propose forming a joint company, to be financed on the following basis: Boeing, 40 percent; Norway's Cvarner, 20 percent; Russia's Energiya missile and space concern, 25 percent; and Ukraine's Yuzhmash scientific and production association, 15 percent. The complex is designed to put payloads into low-earth orbit, including geostationary orbit, on a commercial basis. When the complex is created, Ukraine is expected to spend less on launching its own satellites. According to the Russian Federation Military Space Forces, Ukraine has paid 10 billion rubles to launch the Sich-1 satellite from the Russian cosmodrome in Plisetsk.

Qualities of Recently Launched Satellite Questioned

WS0809143195 Kiev KIYEVSKIYE VEDOMOSTI in Russian 6 Sep 95 pp 1,10

[Article by Oles Buzyna: "Did We Launch a 'Weak-Sighted' Satellite?]

[FBIS Translated Text] Experts believe that our first satellite, Sich-1, which was put into orbit on 31 August, cannot help researchers of Ukrainian territory much. Its equipment, inherited from the USSR, was initially designed to survey polar regions. Sich, of course, will be very useful for Russia — which received 12 billion rubles for the launch — in polar navigation; until November, the satellite will be guided by a Russian flight command center.

Having launched Sich, our National Space Agency for some reason did not beat the kettledrums. The press confined itself to brief reports, without going into details. It seemed that the nation did not care at all about its space priorities — it preferred to harvest fruit in orchards. And only one Ukrainian paper, obviously trying to draw the compatriots' attention to the "surprise of the week," flashed an analytical article: "The Satellite Promises To Forecast Beet Crops."

This is wonderful! But the paper, too, was wrong. Our satellite does not promise anything of this kind. And it cannot promise. It can merely define what will be the size of icebergs in the Arctic Ocean this fall. As everybody knows, however, beets do not grow on icebergs.

"You are joking!" — the reader may exclaim. "What have icebergs got to do with this?"

Here is what. As experts confirm, our Sich, which belongs to the series of Soviet Okean satellites, and which had been in mothballs since 1991, was initially designed to study... the polar regions! In the satellite's technical characteristic, which I studied at the National Space Agency, it is noted that the scanners mounted on it are able to distinguish objects larger than 400 and 2,000 meters. That is sufficent to detect an iceberg or sea current. To collect information to forecast future crops, however, more "sharp-eyed" equipment is needed.

Why, then, was this spacecraft selected? In one of his interviews, Major General Valeriy Lytvynov, chief of the Ukrainian Defense Ministry Directorate for Space Rocket Weapons, provided a soldier-like straightforward response: "It was in the highest degree of readiness."

According to this logic, if for some reason a great deal of felt shoes were stockpiled at Defense Ministry depots, and there was not a single pair of boots, during the summer heat troops would be handed namely felt shoes — after all, they would be "in the highest degree of readiness."

No, I am not against satellites. Ukraine does need them. But for what purposes? It needs them for environmental studies, geological research, cartography, and agriculture. Does our Sich meet these requirements? I addressed this question to Vadym Lyalko, director of the Center for Space Research of the Earth and corresponding member of the Ukrainian National Academy of Sciences.

"Sich cannot resolve issues concerning the drawing of maps, conducting land surveys, or detecting oil pipeline leaks, due to the low resolution of its equipment," he replied.

[Buzyna] Is the satellite useful for geology?

[Lyalko] Only to perform regional tasks. For example, there is the Baltyshskyy crater left by an ancient meteor in Kirovohrad Oblast. With the help of a side-looking radar, it is possible to detect other craters. Sich, however, would not perform tasks concerning searching for useful minerals — uranium, gold, or copper veins. Such veins are usually from 50- to 100-meter wide, and our satellite can detect objects at least 420-meter wide.

[Buzyna] Does the agricultural sector need it?

[Lyalko] No. This requires the sort of equipment that will be mounted on the next spacecraft. On Sich-2, it is planned to mount the German "MOMS-02" instrument, whose resolution is from 13 to three meters. This, however, requires that the satellite return to earth. "MOMS" is a very expensive device. One device is thus transferred from one spacecraft to another. Unfortunately, Okean-type satellites have very short guarantees; for Sich, it is one year. [end Lyalko]

As I understood Vadym Ivanovych, the only thing for which our "space cossack" is useful is meteorology, and to a certain degree environmental monitoring. The latter, however, requires complicated computer methods of processing information (they do exist) and... fine space photographs of the previous condition of the territory we are interested in. Such pictures taken from the U.S. "Landsat" cost $4,000, and from the Russian "Priroda" — half of this sum.

So, was it worthwhile for Ukraine to pay 12 billion rubles (around $2.5 million) to place Sich-1 into orbit, despite the characteristics of its equipment? Did this step not serve as promotion aimed at attracting future partners to cooperation with Ukrainian producers of spacecraft? After all, a Chilean satellite was also launched along with Sich.

"To a certain degree it was promotion," Vadym Lyalko responded. "Nonetheless, we had to launch the satellite to check the entire surface infrastructure remaining in Ukraine, which was either left by the military or created later to process information. Yet, we should have mounted certain imported equipment on it, for example the German spectrometer. Why should we not use it in space? Photographs would sell and sell."

And finally, the last question concerns the satellite's name. Why is it namely Sich [Cossacks camp]? Cossacks, as everybody knows, did not travel in space. It has become known from confidential sources that another name was initially proposed — Vsesvit [Universe]. Due to the modest capabilities of our space traveler, the less cosmic and more political name, Sich, was selected.

Economic Issues

Russia's National Credit Bank To Service Loan

LD0909135895 Moscow ECONOMIC NEWS AGENCY in Russian 1300 GMT 8 Sep 95

[FBIS Translated Text] The National Credit Bank, one of the 20 biggest Russian banks, will service Ukraine's state bond loan of $1.4 billion. The loan was issued by Ukraine's Ministry of Finance in line with an agreement concluded between the Ukrainian Government and the Russian Gazprom joint stock company to pay off Ukraine's debt for supplies of Russian natural gas in 1994 and to pay for Russian gas in 1995. In line with the agreement signed by the bank and Gazprom joint stock company on 14 August, the National Credit Bank has become an authorized depositary and an agent for serving the loan.

Marchuk: Monetary Reform Continuing

LD1009194795 Kiev Radio Ukraine World Service in Ukrainian 1900 GMT 10 Sep 95

[FBIS Translated Text] The Ukrainian Government is working normally and calmly on preparations to implement monetary reform, Ukraine's Prime Minister Yevhen Marchuk said. Replying to a question from an INTERFAX correspondent, he stressed that monetary reform is a constituent part of the whole gamut of economic reforms designed to stabilize the monetary unit. At the same time, the prime minister stressed that, in order for the new monetary unit to function properly, it is necessary to include numerous constituent parts: The level of output of the dollar exchange rate against the Ukrainian karbovanets and the foreign and domestic debt. According to Yevhen Marchuk, there were more than 30 such conditions. Monetary reform, which the government is planning for Ukraine, does not threaten anybody: Neither depositors nor those who receive salaries, Yevhen Marchuk added.

Cabinet Plans To Reduce Dependence on Imported Products

WS1109102795 Lvov INFOBANK in English 0710 GMT 11 Sep 95

[From the "News Service" feature]

[FBIS Transcribed Text] On September 7 the Cabinet of Ministers' presidium considered the government's program for 1996, which should be submitted to the Supreme Council for consideration next week.

The government's program stipulates that Ukraine's economy should rely less on imported products due to use of advanced technologies in the production of rolled metal at the Makiyivka metallurgical plant and the Azovstal metallurgical plant and the general production of oil pipeline pipes and rolled non-ferrous metals. Plans have been made to explore the Pobuzkyy nickel deposits and the Muzhiyivskyy and Bilyaivsky gold and polymetal ore deposits. It also stipulates that loan agreements be signed with the World Bank concerning the reconstruction of Dnipro [Dnieper] river electric power plants and improvements to the electricity distribution system, financing for the reconstruction of thermal electric power plants and for the completion of the Dniester hydroelectric power plant.

According to the program, 38 unprofitable mines will be closed and 25 operating mines will be reconstructed in order to increase their annual production capacity to 5.3 million tons.

The program also provides for the creation of an interdepartmental commission for working out the mechanism by which the transnational Russian-Ukrainian oil company Runo will operate. By the year 2000, 22 billion cubic meters of natural gas should be extracted annually which will require an investment of 400 trillion karbovantsi for the drilling of new natural gas wells and the industrial exploitation of 52 deposits.

The government will be responsible for opening a center for the sale of unfinished buildings in the State Property Fund, founding an agency for matters related to the economic unfeasibility of certain state-owned enterprises, decreasing the volume of budgetary subsidies, and decreasing the amount of loans from the National Bank used to cover the budget deficit.

Ministry To 'Partially Privatize' Energy Sector

WS1109104895 Kiev INTELNEWS in English
0039 GMT 11 Sep 95

[Report by Serhiy Sokolovskiy]

[FBIS Transcribed Text] Kiev, Sep 6 — Ukraine is going to partially privatize its ailing electric-generation industry in order to attract foreign investment, Energy Minister Oleksiy Sheberstov announced last week.

Sheberstov said Ukraine would transform many of the industry's leading facilities into corporations and sell off about 15 percent of the state's interest.

The incorporation process will take two years and will not effect power lines and relay points, which will remain under state control.

The minister said that the transformation will be under the jurisdiction of the Energy Ministry and not the State Property Fund.

"To the day, the biggest problem is not the search for investors but guarantees for them," Sheberstov said. "It is important to create the conditions for investments, in the first place for domestic investors."

The state will retain control of 51 percent of shares in the transformed facilities, Sheberstov said.

The main goal of the program is to create a wholesale market of electricity where the prices are to be set on the basis of competition between producers. The first step in this direction will be creation of six individual power companies, four based on coal- and oil-fired plants and two based on hydroelectric plants.

Sheberstov said the state plans to create a system of 27 electricity-distribution companies to replace the current system of 25 oblast and two municipal state energy committees.

According to the program, existing plants will be modernized and will use new technologies, with possibilities of some private stations being built by independent producers.

Program Aims at Financial Stabilization

LD0809200095 Kiev UNIAN in Ukrainian
1330 GMT 8 Sep 95

[FBIS Translated Text] Kiev — Financial stabilization is central to Ukraine's economic development, according to a draft program prepared by the Ukrainian Cabinet of Ministers, UNIAN has learned from confidential sources close to the cabinet.

It envisages increasing the share of non-emissionary sources in financing Ukraine's draft budget for 1996 and the following years, primarily at the expense of state securities. The program forecasts a budget deficit of 6 percent in 1996, down from 9.4 percent in 1994 and 7.3 percent in 1995.

Efforts will be made to reduce budget spending and streamline financing by means of a strict policy aimed at cutting budget subsidies. The proportion of subsidies to the GDP is to be halved in 1996.

In order to maintain the functional use of state-owned social infrastructure, the government plans to transfer it gradually into the ownership of local government or commercial companies. Up to 20 percent of preschool child care centres, 30 percent of housing and 20 percent of places in holiday and leisure centers, currently owned by state organizations, are to be transferred to local authorities.

Social protection of the population will take priority in government spending.

Industrial Policy Will Become an Important Component of Ukraine's Structural Policy

Industrial policy will become an important component of Ukraine's structural policy, the draft program says. Maintaining the physical volume of production will no longer be among its priority tasks. The emphasis will be laid on curtailing the output of unpopular products. This will make it possible to release resources to meet more urgent needs. UNIAN has learned this from confidential sources close to the Cabinet of Ministers of Ukraine.

Development of the food and light industries, known for the high rate of capital turnover, will be the first trend in industrial policy. Development of hi-tech industries, including modernization of the machine-building, metallurgical and chemical industries, will be the second main trend. The third one will be the restructuring of unviable industries. Conversion of the production facilities that lost their defence significance as well as the setting up and development of relevant facilities for the production of military hardware in a closed-cycle mode will be the fourth component of the industrial policy.

Government's Decisions Aimed at Creating Conditions for the Further Development of the Nonstate Sector are Required to Improve That Sector's Performance

The state of the development of the nonstate sector of Ukraine's economy requires government decisions aimed at creating conditions for its further development, the draft program for the government's activities says. It is envisaged to form and improve the legislative and normative basis toward that end (to adopt a law "On small businesses", to introduce amendments and addenda to the laws "On entrepreneurship", "On enterprises in Ukraine" and "On agrarian companies"); to streamline the procedure for registering businesses (a procedure will be established under which a business should be registered within one week since it has submitted an application); to improve the system of licensing (it is envisaged to set up a system of state regulation of separate kinds of entrepreneurial activities); to improve the financial and credit system of support to entrepreneurship (the Ukrainian national fund in support of entrepreneurship and development of competition will be reorganized this year [1995]). UNIAN has learnt this from confidential sources close to the Cabinet of Ministers of Ukraine.

Monetary and Credit Policy Aimed at Curbing Inflation and Supporting Production, Enterprise

The main goal of Ukraine's monetary and credit policy is to curb inflation and provide support to production and enterprise, says the government's draft program as revealed by confidential sources close to the Cabinet of Ministers.

The key aspect of the anti-inflationary policy will be the reduction of direct loans issued by the National Bank of Ukraine [NBU] used to cover the budget deficit. These are to be reduced by the end of the year to 4 percent of the GDP.

The main task of the government and the National Bank in the monetary and credit sphere will be to maintain positive interest rates on fixed-term deposits and loans and prevent the national currency rate against the US dollar outstripping the rate of inflation.

In order to streamline and coordinate the actions of the government and the National Bank in this area, the program envisages the establishment of a national monetary and credit policy council which will approve policy guidelines, exercise banking supervision and appraise key acts on banking issues.

The NBU official lending rate will be revised at least once a month. Measures will be taken to stimulate investment by reinforcing commercial banks with credit resources and revising interest rates for banks whose proportion of long-term investment credits is at least 25 percent of the total credit portfolio.

Tax Policy To Become Top Priority of Financial and Monetary Stabilization

Tax policy will play a key role in the stabilization of the financial and monetary system, according to the draft government program as revealed by confidential sources close to the Cabinet of Ministers.

Indirect taxes will continue to prevail in 1996 as the most reliable source of budget revenue. In the future, the restructuring of the tax system will move towards the reduction of indirect taxes (value added tax and excise duty) and the increase of the direct tax share (income and corporate earnings tax, property tax, land tax, etc.) in budget receipts.

A register of taxpayers will be compiled in the course of 1995- 96, and the tax service will be computerized to enable individuals to pay taxes on the basis of income and property declarations as of 1997.

A new Ukrainian tax code will be finalized and approved in 1996.

Eleven Percent of All Goods and Services Under Direct Price Regulation by the State

The proportion of goods and services which come under direct price regulation by the state has been reduced to 11 percent, from 75 percent in November 1994. The figure is quoted in the draft government program, which was discussed at a cabinet meeting on 7th September, informed sources reveal. The program is to be submitted to parliament next week.

The draft program envisages free price formation to be further extended within monopoly-free sectors of the economy, while control over monopoly prices and production costs is to be increased.

As of the fourth quarter of 1995, enterprises will be provided with guidelines on prospective inflation and price targets. Enterprise-maintained social infrastructure will be transferred to local authorities to relieve pressure on price-setting.

Special efforts will be made to ensure price parity between agricultural and industrial output. During 1995-19, the state will regulate prices for the basic types of goods supplied to the agriculture, such as farm equipment, mineral fertilizers, plant care products and electricity.

The government plans to reduce the annual rate of inflation to 26 percent in 1996, from 138 percent predicted for 1995. The monthly rate of inflation is expected to drop from the current 7.5 percent to 2 percent next year.

Academic Views Country's Economic Situation

AU0709122495 Kiev HOLOS UKRAYINY in Ukrainian 31 Aug 95 p 3

[Article by Professor Volodymyr Chernyak, doctor of economic sciences: "An Analysis of the Economic Situation in Ukraine"]

[FBIS Translated Text] The economic situation in a country can be most fully expressed in an index as comprehensive and composite as gross domestic product [GDP]. In 1994, Ukraine's GDP amounted to 1,137,794,000 karbovantsi [K] (according to Ukraine's Ministry of Statistics). The data at the disposal of the European Center for Macroeconomic Analysis of Ukraine puts last year's GDP at K1,080,307,000. If this figure is converted into U.S. dollars at last year's mean weighted exchange rate, then Ukraine's 1994 GDP may be assessed at $47.5 billion. If one divides this figure by Ukraine's population, GDP per capita is $912 (in 1990, this index was $2,467). In Ukraine GDP per capita is between 20 and 25 times less than in economically developed countries.

Thus, Ukraine has a low GDP level. This is the underlying reason for the population's impoverishment. The population's standard of living will not improve until our GDP begins to rise. Consequently, improving GDP must become the main priority of our economic policy. It is the basis for resolving all economic and social problems.

It must be added to this that nobody knows the true volume of Ukraine's GDP. In Ukraine, the "shadow" economy is about 50 percent of the official one (in other countries, the percentage ranges between 10 and 15 percent). This means that, alongside the official economy, there exists an equally large unofficial economy, or actually, Ukraine's GDP is at least twice that claimed by official statistics. The statistical data on GDP do not take into account a considerable part of economic activity. Apart from this, the karbovanets exchange rate in our country has been distorted downward, something that calls for an additional adjustment of the GDP figure. One should also keep in mind the enormous scope for misappropriation of Ukraine's GDP, including by way of concealing a considerable part of exports.

The second general indicator of the economic situation is the coefficient of the country's dependence upon imports. The coefficient of Ukraine's dependence upon imports constitutes 41 percent (it is 9.5 percent in the United States; 14 percent in Japan; and 20.5 percent in France). Hence the task: To raise the level of Ukraine's economic self-sufficiency, more specifically, to increase the share of close-cycle types of production (we presently have less than 50 percent of such industries). This is yet another priority of our economic policy. Of course, I do not advocate an isolationist course or autarky, for that matter, something that would be perilous for Ukraine, but I am talking about raising the level of economic self-sufficiency.

The third general indicator of the economic situation is the state's budget deficit. In 1994, the deficit of Ukraine's consolidated budget constituted 9.6 percent of GDP. This is a rather high percentage. In 1995, the budget deficit must be 7.3 percent. There are intentions to lower it to 6 percent in 1996 and to 4 percent in 1997.

The fourth general indicator of the economic situation is the state's internal and external debt. Ukraine's internal debt does not give rise to concern; on the contrary, there is concern because the impoverished population does not purchase state shares or bonds. In June 1995, the population deposited K4 trillion 666.7 billion in the Savings Bank. The situation is different in the case of the external debt, which has reached $7.5 billion. It is not the size of the external debt that matters, but the fact that Ukraine is unable to pay it off. It has declared itself bankrupt, but at the same time it keeps adding to the budget new billions of dollars in foreign loans. Some credits proceed by transit to Russia and Turkmenistan as payment for energy sources. To a large extent the energy problem has been artificially created (it is necessary to save energy sources, introduce new technologies, change the structure of production, and so on). Ukraine consumes almost 90 billion cubic meters of gas a year. By way of comparison: France consumes 30 billion cubic meters of gas, and its commodity output is five times as large as Ukraine's.

The fifth general indicator of the economic situation is the level of unemployment. In June 1995, the level of unemployment (84,600 persons) accounted for 0.4 percent of the entire work force. The statistics only reflect the number of registered unemployed. According to the World Bank, open unemployment in Ukraine amounts to between 3 and 6 percent, and hidden unemployment — to 35 percent.

Finally, the sixth general indicator is the standard of living of the population and life expectancy. If we take real wages in 1990 as 100 percent, it amounted to 35.8

percent in the second quarter of 1995. Not to mention the negligibly small pensions. An overwhelming majority of the population has found itself living below the poverty line. In the first quarter of 1995, the cost of labor accounted for 39 percent of GDP. The population's impoverishment has led to a reduction in the caloric content of the protein diet from 3,597 calories in 1990 to about 2,500 calories at present. Average life expectancy in Ukraine is 69 years (a little higher among women and lower among men). It is a very low index by comparison with that in the developed countries. The process of depopulation is under way in Ukraine. The number of deaths exceeded the number of births by 39,200 in 1991; by 100,300 in 1992; by 184,200 in 1993; and by 243,100 in 1994. Over the first six months of 1995, Ukraine's population decreased by 160,000. The processes of population decline are becoming faster from year to year. If this trend prevails, the existence of the Ukrainian population will be under serious threat. This trend is due to main two factors: impoverishment of the population and environmental contamination.

These are the six general indicators that characterize the economic situation in Ukraine.

Let us now proceed to characteristics of the economic situation in Ukraine during the first six months of 1995. It remains desperate. There are no grounds for the conclusion that a new economic situation is taking shape, even though the president has repeatedly stated just this. We now have a knife to our throat in the form of three problems: The drop in production, the crisis of nonpayments, and external debt. In my opinion, all of these problems have been created largely artificially.

Here are the statistics. Over the first six months of 1995, compared with the first six months of 1994, GDP decreased by 11.4 percent; the volume of industrial output by 13.6 percent; the production of consumer goods by 22.4 percent, including foodstuffs by 18.6 percent; and other commodities by 33.1 percent. The volume of production in light industry decreased by 40.9 percent; in the foodstuffs industry by 17.5 percent; and in machine building and metal processing by 24.8 percent. The setback in production in Ukraine is not structural, but general in character, and it has particularly affected those industries that manufacture consumer goods. Apart from this, as a result of the unfavorable macroeconomic conditions, the decline in production is taking place against the background of the waning investment activity.

A paradoxical situation has arisen in which concurrently with the decline in production, there is overstocking of both industrial and nonindustrial products (due to the suppression of demand and exacerbation of the nonpayments problem). This is causing the economy to enter a new stage of production slump. Such a situation has been created by the policy aimed at inhibiting the growth of wages, establishing control over the enterprises' consumption funds, and suppressing effective demand. Expenditure inflation prevails in our country, yet the remedy used was for the case of demand inflation, something that was, undoubtedly, a blunder. Without encouraging demand, it is impossible to stop the decline in production.

Over the first six months, the productivity of labor in Ukraine fell by 5.8 percent. The deficit of the consolidated budget constitutes K97,149,200,000. One in every five enterprises is unprofitable.

Is there anything that can be considered positive? One can see some indications of financial and price stabilization. The state budget deficit is gradually decreasing. Inflation could be somewhat suppressed: Last November, it constituted 74 percent; this January 21.2 percent; in May 4.6 percent; in June 4.8 percent; and in July 5.3 percent. We have achieved a level of inflation amounting to 5 percent a month, and may God help us maintain this level till the end of the year (there is a danger that a new inflation spiral may unfold). Since the inflation level has gone down, the National Bank rate has been considerably reduced, and this has facilitated access to credit. Among the positive phenomena is the relatively stable foreign currency rate (although it was artificially maintained with the help of currency interventions on the currency market). The karbovanets exchange rate has lately become somewhat destabilized, primarily due to the disclosure of the date of the monetary reform. The continued decline in production has certainly had its effect. Monetarist methods produce a prompt effect, which fades away just as promptly. Besides, the National Bank has limited opportunities for carrying out currency interventions.

Owing to the liberalization of economic activity, first and foremost external economic activity, Ukraine has advanced toward the state of an open economy. A certain increase in exports can be observed. The question of creating financial-industrial groups has been resolved by legislation (even though this is a controversial phenomenon, because there is a danger that Ukraine may fall into economic bondage). Certain steps have been taken toward the creation of a market infrastructure, the agricultural commodity exchange has started functioning, and the primary [pervynni] securities market began to work; in particular, the mechanism for placing state securities has been launched. Regarding privatization, it must be pointed out that it is being implemented, but in a flimsy, slow, and in many ways, distorted way.

The reform processes in Ukraine have entered a critical phase. Unless the setback in production is halted and business activity boosted, the chimerical results of financial stabilization achieved by monetarist methods may be forfeited, and this has already begun to be felt. Steady financial stabilization cannot be achieved by strictly financial methods, without the involvement of production.

Ukraine is a country with an enormous potential. Its explored oil reserves amount to 234.8 million metric tons (we now extract 4.2 million metric tons a year). Rock coal reserves are 100 billion metric tons (last year, 75.9 million metric tons was mined). Ukraine has large reserves of iron ore, manganese, sulfur, and even gold. Ukraine is among the world's richest countries in terms of mineral resources. Ukraine extracts 5 percent of the world's volume of mineral resources, but just 12 percent of them is used in production, and the rest goes into dumps (in Western countries about 60 percent of mineral resources goes for production). In Ukraine, 90 types of mineral deposits have been explored out of the total of 8,000. Ukraine has almost one-third (26.8 percent) of world's chernozem [black earth] soils. To this, one must add the considerable industrial potential (which is, unfortunately, wasted) and the powerful intellectual potential, which is used extremely unsatisfactorily.

The correct choice of priorities in economic policy is of particular significance for emerging from the crisis. Proceeding from the current situation, it is not financial stabilization based on monetarist methods that must become the main priority in economic policy, but the creation of a favorable investment climate (without investments there cannot be a way out of the crisis) and of favorable conditions for boosting labor, business, and entrepreneurship activity, fostering production, and raising the competitiveness of our products, as well as increasing the productivity of labor on the basis of scientific and technological progress and new incentives for labor associated with privatization and reform in wages and incomes in general.

The shortage of capital is the most painful problem for Ukraine. In this connection, the creation and development of the share market (the market of securities as representatives of capital) is of vital importance. The creation of favorable conditions (in terms of taxes, credits, insurance, and so on) for the process of capital formation is the link that may be used to pull out the entire chain of Ukraine's economic reforms. It is amazing how insistently the Ukrainian leadership is trying to obtain external assistance (incidentally, not in the form of grants, but in the form of credits that must be paid back). It is not external assistance that may rescue us, but the vital internal source — the process of capital investments.

Here is the general conclusion. We have what we could do without and do not have what we might have [a variation on ex-President Kravchuk's famous utterance: "We have what we have"].

Cabinet Plans Measures To Stabilize Agricultural Work

LD0809111595 Kiev UNIAN in Ukrainian 0930 GMT 8 Sep 95

[FBIS Translated Text] Kiev — Stabilization of grain farming and beet production will be a priority in Ukraine's agriculture. It is planned that in 1996, the bulk yield of grain will be 35 million tonnes and sugar beet — 33.1 million tonnes.

UNIAN has learned from well-informed sources that this is envisaged in the draft program for the activities of the Cabinet of Ministers of Ukraine. According to the document, it is planned to increase the export potential of the agro-industrial complex at the expense of increasing the output of grain, vegetable oil, sugar, meat and dairy products, fruits and vegetables, seeds, and at the expense of raising pedigree cattle. The volume of export deliveries in 1996 will account for 8-10 percent of the volume of agricultural output.

The program envisages that international technical assistance and foreign credits will be channelled into the agricultural machinery- building, agronomical service, and the processing infrastructure.

The taxation policy in relation to agricultural producers will be geared toward stepping up the role of land tax and expanding tax crediting. Concessional taxation of payments in kind made by agricultural workers and tax exemptions will be introduced.

The program also envisages that the system of state contracting of part of agricultural produce will be retained for some time.

Cabinet Resolution Restricts Coal Exports

WS1109105095 Kiev INTELNEWS in English 0039 GMT 11 Sep 95

[FBIS Transcribed Text] Kiev, Sep 8 — The Cabinet of Ministers recently issued a resolution designed to prepare the nation for the winter season, authorizing the Coal Industry Ministry to put severe restrictions on coal exports and to find new measures to increase domestic coal supplies.

The Cabinet measure was a reaction to revelations that the plan for coal supplies destined for residential use was only 40 percent fulfilled and municipalities were 4,170 tons short of coal.

At the same time, local government's coal supply debts exceeded KBV8 [karbovantsi] trillion. As of Aug. 1, Ukrainian consumers owed KBV210.5 trillion to UkrGazProm for natural gas supplies, while Ukraine's foreign debt to Russian GazProm exceeded US$228 million.

The resolution also permitted various ministries to reduce or sever fuel supplies to debtor enterprises.

Official on Coal Industry Aid Measures

954F3312A Donetsk DONBASS in Russian
29 Aug 95 p 1

[Interview with Pavel Cherepovskiy, Ministry of Coal Industry consultant, by Nikolay Permyakov and Aleksandr Savenko; place and date not given; under the rubric "The Market Dictates": "Break Up Associations In Order To....Unite—Was the Ministry of Coal Decision on Cutting the Tight Knot of Mining Industry Problems"]

[FBIS Translated Text] Coal enterprises face numerous problems, especially deep-slope mines. How can they be solved? Ministry specialists, trade unions, and labor collective councils are all looking for a solution. So far unsuccessfully, though. Only the Ordzhonikidzeugol association has made several attempts to break the mines out of the grip of the crisis, but no perceptible results are yet apparent.

Now a project has been drafted that will profoundly change the situation.

"The idea is," says Pavel Cherepovskiy, one of the project's authors and a Ministry of Coal Industry consultant, "to create a CRD (Central Region of Donbass) association. At this stage it will include Dzerzhinskugol, Artemugol, and Ordzhonikidzeugol, which will get the status of coal firms.

"We have analyzed the mines in the Central Region of Donbass, identified 'bottlenecks,' and evaluated the experience accumulated by the coal industry not only in Ukraine but also in Russia, Poland, and Germany. Economists produced an analysis, and a working draft of the project is now ready. The minister personally issued a directive to put the work on the project into high gear."

[Question] Pavel Vasilyevich, what is new about this project and what does it boil down to?

[Cherepovskiy] Analysis shows that the main problem is a shortage of funds. Because of the associations' cumbersome management systems, money goes into meeting current needs and is spread over all association structures. It is necessary to separate financial flows. We have identified three directions: budget, stabilization, and internal financing.

In addition, 10 firms will be created within the coal company; among them, as I have already mentioned, are three coal firms, which are engaged only in production and excavation to support production. All the others are auxiliary services: material and technical support, motor transport, mine construction, central finance, coal sales, and so on. These units will be put on independent self-financing.

The mines are divided into four categories: "due to close," "on the decline," "maintaining production level," and "promising."

[Question] Could you illustrate this with the example of Yenakiyevo?

[Cherepovskiy] Only one mine here will fall into the "due to close" category—the Krasnyy Oktyabr mine; among those "on the decline" is the Aleksandrovskaya mining administration; in the next category are Yunkom, Uglegorskaya, Krasnyy Profintern, and Imeni Karla Marksa. Among the prospective, or Category I, mines are Yenakiyevskaya, Poltavskaya, Bulavinskaya, and Olkhovatskaya. They are not deep, and with certain investment these mines can increase their output. They will be assigned their own sub-accounts, but not the status of legal entities.

When mines are divided into categories, financing is divided accordingly, in order to achieve full efficiency in the utilization of funds. In these circumstances, coal firms and the CRD association will assume control, as well as engineering and technical support. For instance, the Science company will deal with the problems of installing new technologies, mechanisms, and scientific developments for deep-slope mines. Financial matters will be handled through Mineral Resources bank branches in three cities. All of this will finally enable the mines to free themselves of auxiliary functions and reduce the production cost of the coal.

In addition, we have already been instructed by the president to prepare materials on a partial transfer of the social sphere from the coal sector to local councils.

And, most importantly, this will give us speedy utilization of financial resources. We hope that in half a year financial discipline will be fully established. The final product of the CRD association's manageability will be concentrate. This structure will enable us to gradually move in the future to the creation of financial-industrial groups, which will include power stations and coking-chemical plants.

On 28 July the top management of the CRD association held a conference meeting with the minister and set up a strict time frame for the project's implementation. The bulk of the work is supposed to be finished by 1 October.

[Question] Well, we hope that this project will allow coal associations to break out of the crisis.

[Cherepovskiy] Implementation of this project is made more difficult by the fact that the question of financing of recourses and lump-sum benefits has not been resolved, and the fact that the social sphere question is being only partially resolved. We are working on this. [end Cherepovskiy]

Let us add that at the end of July, at the insistence of the Ministry of Coal Industry, the Cabinet of Ministers meeting considered the question under Article 11 of the law "On Labor." The question was formulated this way: Find sources of financing, but not at the expense of the production cost of coal. It is not yet known whether a decision on this has been made.

Belarus

Formation of CIS 'Military-Political' Bloc Urged

LD1109105795 Moscow ITAR-TASS World Service in Russian 0915 GMT 11 Sep 95

[By ITAR-TASS correspondent Valeriy Demidetskiy]

[FBIS Translated Text] Kishinev, 11 Sep — Belarus President Alyaksandr Lukashenka called today for the formation of a military-political bloc of the CIS states in answer to the continuing NATO bombardment of the Bosnian Serbs.

In an interview with ITAR-TASS on his arrival in Kishinev on an official visit, Alyaksandr Lukashenka said: "Russia, Belarus, Ukraine, Moldova, and other countries (of the CIS) must call for the peaceful settlement of the Bosnian problem. These announcements will, however, be just empty words until the former Soviet republics unite, first of all, in the military and political field."

"What is happening in the Balkans today," the Belarus president stressed, "could not have happened 10 years ago when the Soviet Union acted as a guarantor of stability in the world. Today this guarantor does not exist and no matter how much we demand an end to the bombardment of the Slavs in Bosnia it will not lead to anything."

After meeting Alyaksandr Lukashenka, Moldovan President Mircea Snegur also confirmed that the Balkan crisis can only be settled at negotiating table.

Foreign Ministry Condemns French Nuclear Tests

LD1009124595 Minsk Radio Minsk Network in Belarusian 1200 GMT 10 Sep 95

[FBIS Translated Text] The Republic of Belarus expresses grave concern in connection with the nuclear weapons testing conducted by France on Mururoa Atoll. This is said in a statement from the Ministry of Foreign Affairs. The Republic of Belarus voluntarily and without precondition has renounced the possession of nuclear weapons, and is suffering from radiation pollution as a result of the disaster at Chernobyl atomic power station. We are convinced that a moratorium on the testing of nuclear weapons by all states which possess them is a key factor in strengthening international peace and security, says the statement by the Foreign Ministry.

Sweden To Help Develop State Purchasing System

LD0809203595 Minsk Radiostantsiya Belarus International Service in Belarusian 1800 GMT 7 Sep 95

[FBIS Translated Text] The Swedish International Cooperation Development Agency, which acts on behalf of the Swedish Government, has officially confirmed the allocation to Belarus of a grant of 520,000 Swedish kronor, that is, approximately $500,000. These funds are to be used to pay for the services of Swedish experts in the development of a new legislative organizational system of state purchasing in Belarus. The Ministry of External Economic Relations has begun to work in that direction, using the grant which was allocated to our republic earlier by the World Bank.

Lukashenka Pledges IMF Credit for Electronics Firm

LD0809213695

[FBIS Editorial Report] Minsk Radiostantsiya Belarus International Service in Belarusian at 1800 GMT on 8 September broadcasts a two-minute report on a recent visit by Belarusian President Alyaksandr Lukashenka to the scientific and production association Integral in Minsk, the biggest electronics manufacturer in Belarus, during which he promised to allocate to the enterprise a share of the second part of the IMF stand-by credit, which amounts to $5 million and is now kept in the National Bank of Belarus. Not a single commercial bank wants to take upon itself the responsibility of allocating these funds to Integral. However, the president specified that the application for the credit should be signed by the heads of Integral and if the funds are not used effectively these people will lose their jobs.

Parliament Suspends Sittings in Protest Aimed At Lukashenka

LD0809162895 Moscow Mayak Radio Network in Russian 1500 GMT 8 Sep 95

[FBIS Translated Text] The parliament of Belarus today suspended sittings and decided not to resume unless President Alyaksandr Lukashenka gives an official response to the political statement adopted by the deputies on Thursday in which they accused the head of state of artificially stirring up political confrontation between the two branches of power.

Lukashenka Confident of Future Political Stability

LD0809214395 Moscow INTERFAX in English
1921 GMT 8 Sep 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, and edited by Vladimir Shishlin]

[FBIS Transcribed Text] The political situation in Belarus is stable and there will be no social and economic upheavals in the republic, said President Alyaksandr Lukashenka, addressing in Minsk on Friday [8 September] the second session of the council on aviation and the use of the CIS air space.

He described as "concoctions by some unscrupulous journalists the allegations that Belarus repeats the Chilean or Haitian variants".

Lukashenko said that "Belarus has never been and will not be a stronghold for attacks against neighboring states" and its policies "are aimed at preserving the unity of the CIS states". The president considers as the main political and economic goal "the search for points of contact in agriculture, industry, transport, and the communications, which the republics of the former Soviet Union lost, and which could be very efficient in the current situation."

Speaking about economic transformations, Lukashenka said that he is against "stepping up processes" in the economy, for example, in the sphere of privatization. According to him, everything must go gradually and be well-checked".

"Even the International Monetary Fund was unable to reproach Minsk of wrong actions aimed at stabilizing the economic situation," said the president.

Lukashenka described the rescheduling of the consideration of the question on granting to Belarus of an IMF credit from August 23 to September 12 as "a purely political" decision.

According to Lukashenka, the IMF advanced additional demands of the military and political character. He believes that this is caused by the discontent by Western financial quarters over the policies pursued by the country's leadership towards the economic integration with Russia.

Moldova

Latvian Foreign Minister Birkavs Arrives on Visit

AU0809171995 Chisinau INFOTAG in English
2120 GMT 7 Sep 95

[FBIS Transcribed Text] Chisinau, September 7 (INFOTAG) — On the invitation of his Moldovan counterpart, the Latvian Minister of Foreign Affairs, Valdis Birkavs, today arrived in Chisinau for a visit — the first one paid by such a high-ranked Latvian official ever since the break-up of the USSR.

The guest will meet with the Moldovan President, Parliament Chairman, Prime Minister, Minister of Foreign Affairs, and will visit several ministries and state departments.

The sides are planning to sign a package of interministerial documents, including a protocol on cooperation and consultations, and to initial the inter-state treaty. During the visit, Moldovan and Latvian officials may discuss simplification of the visa regime between the two countries. The regime has been particularly toughened by Latvia for all citizens of former Soviet Union countries.

Mr. Valdis Birkavs will appear at a press conference on Friday [8 September].

Snegur Presses For Basic Treaty

LD0809215395 Moscow INTERFAX in English
1921 GMT 8 Sep 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, and edited by Vladimir Shishlin]

[FBIS Transcribed Text] President Mircea Snegur told Latvian Foreign Minister Valdis Birkavs in Chisinau Friday that Moldova wants a basic treaty between the two countries signed soon.

Birkavs said that a bilateral commission should analyze the potential of expanding economic links, in particular using the port of Riga for exportation of Moldovan goods to northern Europe.

Birkavs and his Moldovan counterpart Mihai Popov signed an inter- departmental protocol on cooperation and consultations and initialed a Friendship and Cooperation Treaty.

Cooperation Protocol Signed

AU1009165395 Chisinau INFOTAG in English
2150 GMT 8 Sep 95

[FBIS Transcribed Text] Chisinau, September 8 (INFOTAG) — Moldovan Minister of Foreign Affairs Mihai Popov and his Latvian counterpart Valdis Birkavs, on an official visit to this republic, today signed an interministerial protocol on cooperation and consultations, and initialed the inter-state Treaty of Friendship and Cooperation between the two nations.

The Latvian foreign minister was welcomed by President Snegur today, who stressed the necessity of signing the Treaty of Friendship and Cooperation between Moldova and Latvia.

Mr. Birkavs spoke for setting up an inter-governmental commission to promote economic relations between Latvia and Moldova, including using port Riga for exporting Moldovan goods to North Europe.

Popov, Birkavs Hold News Conference

AU1009172095 Chisinau BASAPRESS in English 2046 GMT 8 Sep 95

[FBIS Transcribed Text] Chisinau, 08/09/1995 (BASAPRESS) — "Latvia can exercise pressure on Russia with a view to speed up the Russian troops withdrawal from Moldova, the same way other states did when Russian troops were withdrawn from Latvia," Valdis Birkavs, Latvian foreign minister said today at a press conference held at the end of his visit to Chisinau. "According to international acts the Russian troops should leave Moldova which has the right to live without the presence of foreign troops," Birkavs said. The Latvian foreign minister and the Moldovan one, Mihai Popov, sanctioned the inter-state treaty of friendship and cooperation and concluded the protocol of cooperation and consulting between the foreign departments of the two states. Birkavs said "there are no feared questions between our countries, the only problem is the necessity to strengthen our relations."

According to the Latvian minister, an intergovernmental group should be appointed to draft the agreements of cooperation in air, railway and sea transportation. "Our sea ports could serve Moldovan businessmen since Latvia imposes low taxes and provides high quality services," Birkavs said. According to him, the necessity to strengthen the relations is quite obvious when we look at the export/import operations between Moldova and Latvia which represent 0.3 percent of the total volume of foreign trade.

"Moldova and Latvia actively participate in international bodies," Mihai Popov said at the conference. He remarked that Chisinau and Riga have favorable conditions to cooperate within European Council, also, the positions of the two states coincide within UN, OSCE and the European Union. The Chisinau minister pointed out that about 4,000 Moldovans live in Latvia, and Latvians live in Moldova. Popov believes the cooperation in humanitarian aspects is necessary, the activity of Latvian and Moldovan cultural communities being welcomed by the governments of the two countries.

Moldova takes part in the "Partnership for Peace" program, but does not intend to join the NATO structures, as it is a neutral state, stated today foreign minister Mihai Popov at the press conference held on the occasion of concluding the visit of the Latvian Foreign Minister Valdis Birkavs. "NATO's extending eastward should not run counter to principles of European security, but on the contrary should contribute to its consolidation," Popov said. In his opinion, "Partnership for Peace" should not create conditions for Russia's isolating, but on the contrary should imply Russia's taking part in this program. "Moldova wouldn't like to play the role of buffer between the two blocs and its security should not be damaged," Popov ended.

"Moldova will greet the efforts made for ceasing the Balkans conflict, as our country is located nearby," stated the foreign minister. "The small countries, as Moldova and Latvia, are concerned with the situation in Bosnia no less than the big ones," said the chief of Moldova's diplomacy. The Latvian foreign minister, Valdis Birkavs, said "Latvia like Russia is anxious with the situation in Balkans, but I confirm once again the position of the Baltic states on supporting NATO in Bosnia." Birkavs expressed his regret in connection with the human victims, especially among the peaceful inhabitants of Bosnia, who are more numerous than the military ones.

The Latvian Foreign Minister, Valdis Birkavs, who visits Chisinau, launched at today's meeting with the Minister of Economics, Valeriu Bobutac, the idea to build a Moldovan terminal in Liepaja, Latvia. The Latvian official said Liepaja lander could be a basis for fuel imports by Moldovan firms which would benefit from the current capacity, Gheorghe Marzencu, head of the Ministry of Economics press service told BASAPRESS. Experts informed BASAPRESS that the implementation of the project would be too expensive for Moldova. They think it is necessary to speed up the building of the Giurgiulesti port, which is more important.

Lyudmila Krichun, expert at the State Association for Fuel, told BASAPRESS the conclusion of the package of acts necessary for Giurgiulesti terminal is at a rather advanced stage; the concession agreement is already concluded and the European Bank for Reconstruction and Development [EBRD] experts approved of the project. EBRD will credit 70 percent of all expenditures worth $36 million. Krichun said in the nearest future the EBRD will announce an international tender to identify entrepreneurs.

During the recent visit to Chisinau, Yevheniy Marchuk, Ukrainian premier, asked Moldova's assistance in the building of the Reni terminal. Moldova rejected the proposal because it is focused on Giurgiulesti terminal.

Previously, Vladimir Cheian, assistant director of state association for fuel, said construction works will begin by the end of 1995. In the first year, the capacity of the terminal will be of 360,000 tons and in the following years it will reach the capacity of 2.1 million tons.

Ministry of Economics sources told BASAPRESS that Chisinau officials also debated the project of the Institute of Oil Transportation from Kiev and of the German firm "Machinen und Anglagenban Grimma Gmbh" on Moldova's participation in the building of an oil pipe and two refineries. The same sources say the project was rejected by the state association on fuel and the talks will be resumed after the issue of the legislative framework on mutual investment protection and guarantees.

Popov Rules Out Full Membership of NATO

LD0809162495 Moscow ITAR-TASS in English 1505 GMT 8 Sep 95

[By Valeriy Demidetskiy]

[FBIS Transcribed Text] KISHINEV, September 8 (ITAR-TASS) - Moldovan Foreign Minister Mikhail Popov on Friday urged NATO to account for Russia's interests when expanding eastward and said Moldova did not intend to integrate into the Alliance although taking part in its Partnership for Peace plan.

"When expanding, NATO should also account for interests of Russia's European security," Popov told a news conference which was held upon the completion of his Latvian counterpart's visit to Kishinev.

Touching upon the latest developments in Bosnia, Popov referred to his home country's experience "in settling the Trans-Dniester problem" and said that peaceful means were more efficient in such cases than those involving the use of force.

Latvia, as well as two other Baltic states, backs NATO efforts aimed at settling the Bosnian crisis, Latvia's Valdis Birkavs told reporters. He expressed concern over the raging Bosnian conflict and growing death toll among civilian population.

The two ministers signed a protocol of cooperation between their agencies and initiated a bilateral cooperation treaty.

In the sides' opinion, Birkavs' visit will trigger the development of bilateral ties. Today, the state of cooperation between the two countries leaves much to be desired. For example, Moldova accounts for 0.3 per cent of Latvia's foreign trade turnover.

Russian Envoy: Consulate in Tiraspol 'Justified'

AU1109104095 Chisinau BASAPRESS in English 2157 GMT 9 Sep 95

[FBIS Transcribed Text] Chisinau, 09/09/1995 (BASAPRESS) — The countdown of the Russian Army's 3-year withdrawal period will start when the Russian State Duma ratifies the 14th Army withdrawal agreement, the new Russian Ambassador to Moldova Aleksandr Papkin stated to the Russian language newspaper KISHINYOVSKIE NOVOSTI.

"Being aware of the situation, the government has made some concrete steps to reduce the contingent... Though we might just as well not undertake these actions, as the accord has not yet taken effect," underlined Papkin. According to him, the three-year period for the withdrawal is imposed by natural factors and is real. "The evacuation of munitions in a shorter period is impossible," Papkin thinks. He underlined that the Russian side is not going to give anyone the military equipment. "No talks have been held since March on this matters, as the Moldovan side has no head of delegation. The head of our delegation is present, he is waiting and is always available to continue the talks," the Russian diplomat said.

In his opinion, another unsolved issue is housing for officers of the troops to be evacuated. "Moldova is obliged to bring its contribution in this respect," Papkin said, stressing that, otherwise, "discussions on immediate evacuation of the Russian troops are groundless." Commenting "Chisinau's objections that Russian blue helmets allowed Dniester paramilitary formations in the security zone," Papkin expressed bewilderment at the "attempts to hold Russia responsible for the Dniester conflict." "The security zone was not designed by Russia — it was agreed upon. It happened so that there are really some Dniester military formations in this zone. Undoubtedly, this fact runs counter to the accord on the security zone. Yet the Dniester ask the question: where shall we take them out? The Dniester strip is rather narrow and does not have the necessary infrastructures," pointed out the Russian Ambassador. Regarding the talks on special status for Dniester, Papkin said Tiraspol prefers the way Russia solved the problem of Bashkorstan and Tatarstan. In the Russian diplomat's opinion, "one should take into account the situation in Russia and Moldova. A faithful reproduction of the relationship between the central power in Moscow and its federal subjects is not recommended for Moldova."

Referring to Moscow's attitude toward Dniester inhabitants, of whom two thirds are Slavic, according to the correspondent, Papkin stated that "Russia treats the Slavs in Dniester as it does with those of Tajikistan, Baltic States, etc. We use a similar method of treating our fellow-countrymen from abroad. This is a priority of the Russian foreign policy." According to the Ambassador, "Russia struggles for a human rights convention within CIS" conditioned "by the peculiarities of the CIS area" which "are not envisioned by the Geneva convention." Papkin said that because of increased consular activities in Moldova and the fact that some citizens from Moldova's eastern districts find it difficult to come to Chisinau to ask assistance from the Russian Embassy, the opening of a Russian consular institution in Tiraspol "in the near future" is justified.

Snegur Believes in Political Settlement of Dniester Dispute

AU0809172295 Chisinau INFOTAG in English
2120 GMT 7 Sep 95

[FBIS Transcribed Text] Chisinau, September 7 (INFOTAG) — Moldovan President Mircea Snegur has expressed confidence that sooner or later the sides will succeed in finding political ways of settling the Dniester dispute, with Moldova's territorial integrity duly preserved.

In his interview with the Duna Televizio channel of Hungary, Mr. Snegur stressed that the Moldovan leadership "shall display as much patience and persistence in negotiating with Tiraspol leaders as will be necessary for them to comprehend that their intentions to found a confederation are fruitless".

All differences ought to be settled by exceptionally peaceable methods, the head of state said, for peace is a guarantor of maintaining links between economic agents on both sides of the river, and of leu circulation on the Dniester territory. Mircea Snegur has emphasized that granting a Gagauzi-type status to the Dniester region would be a fair solution of the problem. In his opinion, the grass-root Gagauzes' behavior indicates that national minorities wish to live in an independent and integral Moldova. "When we speak about revival and accord, we bear in mind the national minorities, too, for they constitute 35 percent of the republic's population. By law in force, they enjoy equal rights with ethnic Moldovans", the President said.

Snegur: Territorial Unity Non-Negotiable

LD0809214795 Moscow INTERFAX in English
1921 GMT 8 Sep 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, and edited by Vladimir Shishlin]

[FBIS Transcribed Text] A political settlement to the Transdniester conflict will be worked out, sooner or later, but on the condition that Moldova remains united, President Mircea Snegur told Moldovan journalists in Chisinau Thursday [7 September].

The country's leaders, he said, are prepared to be patient so that "through dialog with the constitutional authorities and international organizations the Tiraspol leaders see that their hopes to turn Moldova into a confederation are illusory."

Snegur emphasized that all differences with Tiraspol have to be overcome through peaceful means alone.

He believes that granting the Transdniester region a special legal status similar to that given to Gagauzi-populated areas would be a just solution. "The rank and file Gagauzi have shown by their action that national minorities are willing to live in an independent and unified country," he said.

Snegur is convinced that the economic links between organizations and individuals on both sides of the Dniester and use of the Moldovan currency in the Transdniester region would be the best guarantees of observance of political agreements between Chisinau and Tiraspol.

INFOTAG Views Ukraine Joining Dniester Settlement Process

AU1009164095 Chisinau INFOTAG in English
2150 GMT 8 Sep 95

[FBIS Transcribed Text] Chisinau, September 8 (INFOTAG) — The next round of talks between the Moldovan authorities and Dniester leaders, scheduled for September 13, will mark the appearance of Ukrainian President's representatives at the negotiation table. The Ukrainian charge d'affaires in the Republic of Moldova, Yevgeniy Levitsky, said to INFOTAG that President Leonid Kuchma had officially notified Chisinau and Tiraspol on the Ukraine's acceptance of their invitations, and said "Kiev is ready to send a delegation headed by a President's envoy." The Ukraine's participation in the process has been okayed both by the two conflicting sides, and the Russian and the OSCE Missions that have been mediating at the negotiations for two years by now.

The initiative to invite Ukrainians was first voiced by Tiraspol, and Chisinau supported it. By bringing new participants into the process, Moldova is seeking to demonstrate its sincere striving for the conflict settlement, and to show that it has nothing to hide from anybody. And Tiraspol synonymously regards the Ukrainian participation as "an additional guarantee of stability in the region."

"The Ukraine is our direct neighbor. Should the situation aggravate or an armed conflict break out, Kiev will be the first to feel the consequences of the strain, for there are over 200 thousand ethnic Ukrainians residing permanently in Dniester," Dniester leader Igor Smirnov said. The form of the Ukraine's participation in the joint work has not yet been defined, and it will be soon decided upon with an account of the opinions of all parties involved. In Smirnov's belief, "that is the prerogative of President Kuchma." "It would be tactless of us to dictate our conditions to Kiev. We shall welcome any form which Kiev would find appropriate for itself to participate in the process," Smirnov stressed last week. Tiraspol is not concealing that, by bringing the Ukraine in, Dniester is primarily seeking to secure a guarantee of its legal status which it yet to be defined during the talks with Chisinau.

"Dniester does not wish to repeat the fate of the Crimea, which was given a status to, and deprived of it very shortly after by the same status-givers," Tiraspol leaders are saying. They firmly believe that Moscow and Kiev could become the most reliable guarantors of the status observance by Moldova, because the rebel region is inhabited by 28 percent Ukrainians and 25 percent Russians. Dniester had never objected to bringing in Ukrainian peace keeping force to the region as an additional guarantor of peace till status is defined. However, this question was canceled during negotiations.

The Ukrainian Parliament Chairman Alexander Moroz said during his visit to Chisinau in early July that the relationship between Chisinau and Tiraspol has attained such a degree of maturity when peace has to be maintained not by armed peacekeepers but by using exceptionally political means. Currently, none of the parties involved in the conflict settlement consider it necessary to expand the available peace keeping contingent, for the situation is, fortunately, fairly stable there. But at any rate, the Ukraine just cannot afford a luxury of keeping its troops in Dniester. Even Russia, due to its economic and financial hardships, was forced to halve its peacekeeper unit in the region last year.

According to independent observers, Kiev is likely to support Dniester in its wish to have the right for self-determination should Moldova cease being an independent sovereign state. Upon agreement with Chisinau and Bucharest, the Ukraine is commencing the delimitation and demarcation of its borders with the two neighbor states. Bearing in mind the delicacy of the question related to North Bukovina and South Bessarabia, which are parts of the Ukraine now, Kiev will always be insisting on the principles of the inviolability of international borders. Hence, Tiraspol's dream to have "an own state inside the Moldovan confederation" will hardly be backed by the Ukraine.

Most probably, Kiev will agree to a special political status for the left bank, which will secure the right for Dniester's self-determination in case Moldova unites with Romania. Whatever the form of the Ukrainian participation may be, its role in the settlement process will be positive. This opinion is disputed by nobody now, and even the orthodox opposition, which is openly demanding unification with Romania, is voicing no objections.

However, the pro-Romanian unionists are speaking for the resumption of the quadripartite mechanism of the problem settlement — with the participation of Moldova, Russia, Ukraine and Romania. But Tiraspol is categorically against any involvement of Bucharest into the case, stating that such a mechanism has proved its inefficiency in 1992, when the negotiation machine was working but the conflict developed into a dreadful bloodshed in Bendery.

Judging by everything, in the observable future the negotiation process will be developing on the basis of the two (participants) plus three (observers) formula. And time will show whether or not the new formula will be more fruitful than the old one.

Snegur Warns of 'Tragedy Imposed From Outside'

AU1109104295 Chisinau BASAPRESS in English 2157 GMT 9 Sep 95

[FBIS Transcribed Text] Chisinau 09/09/1995 (BASAPRESS) — In an interview with the newspaper TINERETUL MOLDOVEI (THE YOUTH OF MOLDOVA), President Mircea Snegur said "the biggest mistake of the Agrarian Democratic Party [PDAM] is its orientation to the 'happy future', trying to reconsider the achievements of this people who raised its head to see the sun. This is their tragedy."

Speaking on the recent declarations by the Agrarian leader Dumitru Motpan, Snegur said because of the changes to the Land Code, Moldova runs the risk not to be granted the credits solicited from the World Bank. As for the proposal to alter Article 13 of the Constitution, he said "this is the only way the Parliament can correct its own error." Speaking on the referendum on the name of the official language that he earlier called "absurd," Snegur said it has become the "ruling party's favorite chorus." The chief of the state mentioned that the PDAM intention has no chance and "in such a case the 1989 demands will be reset." "If presently some political formations and movements watch equidistantly the dispute between the PDAM and the Party of Revival and Conciliation [PRCM], then I'm sure they will make their option clear," Snegur said, adding that we must "admit our mistakes and who the plotters are and where they lead us." Asked whether he is able to guarantee security and peace in Moldova, Snegur stated all his actions aim at this. "It is well known how badly some pro-imperial forces reacted at the conclusion of the 'Partnership for Peace'," Snegur mentioned, stressing that the thought of "a tragedy imposed from outside" frightens him. This tragedy led to the creation of the "so-called republics that triggered inter-ethnic discord."

In another context, the President said that he received information that PDAM representatives harass representatives of other political parties. "These actions will be severely counteracted," said Mircea Snegur.

Political Commentators Assess PRCM, PDAM Congresses

AU1009162995 Chisinau BASAPRESS in English 2046 GMT 8 Sep 95

[FBIS Transcribed Text] Chisinau 08/09/1995 (BASAPRESS) — The first congress of the Moldovan Party of Conciliation and Revival [PRCM] and extraordinary congress of the Moldovan Agrarian Democratic Party [PDAM] have become a source for conclusions and forecasts launched by political commentators. In an article published by the weekly FLUX, Vitalia Pavlicenco wrote that "The hard Agrarians who gave their word to go to the end with the PDAM push the party to leftist radicalism; this will soon show itself, while the party will lose vigor. Now the real left that strengthens its ranks will raise the question 'to what extent and for how long will this branch of power be useful?' As to the center-right and right, these forces prefer to be mere onlookers still preoccupied with the predictability of current top officials' credibility, with the problem of selecting the smallest bad," noted Pavlicenco.

In the same issue, commentator Petru Bogatu said there were rumors that "the fight between officials is a subtle sham meant to eliminate the unionist opposition from the political arena. Thus, they claim that Mircea Snegur was deliberately disembarked on the right side of the political spectrum to resuscitate the increasing unrest among the people with national awareness on a path rigorously directed by the power, eventually perverting them. Thus unification would be annihilated once and for good as it causes continual stress for the leadership," noted Bogatu. In his opinion, "the hidden nostalgia for a single party coupled with the lack of democracy sets prerequisites for serious socio-political unrest."

Ilie Lupan, commentator for the weekly MESAGERUL, wondered if "all this touting about the constitution of a presidential party is a setup to split once more the opposition? And there is possibility that the three will be called to Moscow like some truant pupils and will be 'advised' to make peace as there are three big posts in this small country. And their conciliation would be fatal not only for the opposition but for most of Romanian population in Moldova," concluded Lupan. In his opinion, the latest measures taken by the legislative and presidential institutions prove that conciliation is impossible and that "forceful overthrows" are being prepared. "Agrarians have sufficient votes to dismiss Snegur — apparently that is what they are going to do — by changing the Constitution. While Snegur has sufficient authorities (and forces) to dissolve Parliament legally," concluded Lupan.

Kazakhstan

President Nazarbayev Begins Visit to China

LD1109105495 Moscow ITAR-TASS in English 1031 GMT 11 Sep 95

[By Marat Abulkhatin, Grigoriy Arslanov]

[FBIS Transcribed Text] Beijing September 11 (ITAR-TASS) — The state visit of Kazakhstan President Nursultan Nazarbayev to China which began on Monday is aimed at the consolidation of bilateral relations in the economic, political and military areas, well- informed sources close to the Kazakhstan embassy in Beijing told ITAR-TASS on Monday [11 September].

During the stay in the Chinese capital Nursultan Nazarbayev will have talks with Chairman of the PRC Jiang Zemin, will meet with Premier of the State Council Li Peng and will address representatives of the Chinese business circles. The Kazakhstan President is accompanied by chiefs of a number of Kazakhstan regions and large industrial amalgamations.

According to well-informed sources, the Chinese and Kazakhstan leaders will also discuss questions related to security and cooperation in the Asia-Pacific region and confidence-building measures. In this context Almaty and Beijing will sign an important political document, "The declaration on the further development and deepening of relations between Kazakhstan and the People's Republic of China". Agreements will also be signed on scientific and technological cooperation in meteorology and the joint use of the Chinese port of Lianyungang to handle Kazakhstan cargoes.

This is Nazarbayev's fourth visit to China and his third visit to China as Kazakhstan President.

Nazarbayev on Military Cooperation With Russia

LD0809113195 Moscow ITAR-TASS in English 1045 GMT 8 Sep 95

[By Ivan Zakharchenko]

[FBIS Transcribed Text] Almaty, September 8 (ITAR-TASS) — The Kazakh government will do its best for the country's armed forces to strengthen constantly military cooperation with Russia, Kazakh President Nursultan Nazarbayev said during a visit to an Air Force regiment.

The Kazakh chief executive assured the military that the Kazakh leadership will pay priority attention to raising of combat readiness of the army. At the same time, according to the president, sovereign Kazakhstan needs armed forces not for aggression but for protection of the country's inviolability and integrity.

Caspian Ecological Balance Upset Detailed

954F3336A Almaty EKOLOGICHESKIY KURYER in Russian 19-31 Aug 95 No 16, p 4

[Article by A. Derepaskin, chief of the operational administration and analysis department of the Republic of Kazakhstan Ministry of Ecology and Bioresources: "The Caspian: Reality and Forecasts"]

[FBIS Translated Text] We call to mind that the Caspian is a place of habitation for 90 percent of the world's reserves of especially valuable sturgeon species of fish, a unique population of seals, waterfowl, and many types of surviving fauna. The coastal zone is also rich and diverse. Of 100 species of birds and animals encountered here, more than 30 are listed in Kazakhstan's Red Book. Two game reserves are also situated in the North Caspian area—the Novinskiy in the Volga delta and the Aktau-Buzachi in Mangistau Oblast.

The principal ecological problems in the Kazakhstani part of the sea have been determined. A rise in its level, erosion of the shores, inundation of the oil industries and settlements, continuous increases in the discharge of polluted sewage, river flood control, poaching, etc. All of which has led to a sharp violation of the ecological balance, causing the massive loss of fish, seals, and birds and the degradation of vegetation.

After the encroachment of a wind-induced water surge, the oil patches that are formed on dry land during emergency oil overflows are turned into films of oil fields on the sea.

There are more than 200 large enterprises and 100 large cities in the Caspian Sea basin that annually discharge more than 8 billion cubic meters of insufficiently treated sewage containing toxic chemical elements and organic compounds.

The Kazakhstani seashore is part of Atyrau and Mangistau Oblasts. In the period from 1978 to 1995 the sea level rose by more than two meters, which led to an inundation of dry land for a width of from 5-19 to 25 kilometers and a length of about 1,500 kilometers, an area of 2.0 million hectares.

The northern and northeastern part of the Kazakhstani seashore has small slopes, in connection with which a continuous migration of coastal features occurs: up to 15 kilometers during changes of the preceding water level by one meter, and up to 20-30 kilometers during wind-effected phenomena.

During the last 700 years the sea level rose twice to the minus 28-29 meter marks. Since 1978 the level has risen from minus 29 meters to a height of more than two meters, exceeding the minus 27 meters mark. It has been determined that the minus 26 meters mark will be reached by the year 2010, and minus 25 meters by the years 2025-2030.

A majority of Russian researchers' forecasts concur in the opinion that the level of the Caspian Sea will increase at least until the year 2010, inasmuch as the weather circulation epoch that started in the 1970's is supposed to continue until that time.

As for wind-effected phenomena associated with wind processes, their height rarely exceeds two meters in the mouth of the Emba River: A range of 1.7-2.1 meters is observed on the northern coast, including the estuary of the Ural [as published], in Komsomolets, Kochak, and Sarytash bays, and also at sloping shore locations of the Buzachi peninsula. On the remaining part of the seacoast large wind-induced water surges do not exceed 1.0-1.2 meters.

An extremely important problem for the Caspian, especially for the productive and shallow Northern Caspian Sea, is pollution. An evaluation of the quality of the water indicates steady pollution of the sea during periods of oil field flooding. Significant polluting substances for all areas of the sea are oil, oil products, and phenols, and in the Northern Caspian—additionally, DDT. An increase in mercury pollution up to three PDK [maximum permissible concentration] has been noted in recent years. In the surface waters of the Northern Caspian, which are visually clean, the content of oil products reaches 2-15 PDK, including in the reaches of the Emba River—2-4 PDK. In individual periods (November 1989, March 1990) during high wind-induced surges many oil products were washed into the sea, where the concentration reached 25-32 PDK. Phenols of 3-6 PDK to 8-14 PDK are observed in the water on the coastlines of the Volga and Ural rivers. Lead, arsenic, mercury, zinc, and chromium compounds should be considered the main inorganic pollutants of fresh and sea waters. In the last five years the content of copper in the water has increased by a factor of 11.5, zinc—9.8, lead—5.6, and cadmium—4.9. The content of SPAV [synthetic surface active substances] does not exceed the PDK. The oxygen regime of the Northern Caspian is satisfactory.

The main components of the pollution of the soils of the seacoast are oil products (1.5 grams/kilogram, and close to operational and exploratory oil fields—up to 10 grams/kilogram). Moreover, pollution of the soils with nickel (1-10 PDK), chromium (1-3 PDK), cobalt (2-3 PDK), and phosphorous (5-30 PDK) is being observed.

At the present time, an unfavorable sanitary and epidemiologic situation is being noted in territory where inundation by the Caspian or by its wind-induced surges is possible. Of 56 population centers, there are centralized sewer systems only in oblast centers and the settlements of Tengiz, VNR, Bautino, and Kulsary. In the remaining population centers a sewer system is either absent or there is a local one—cesspools of an absorbing type. Periodic flooding of the seacoast by wind-induced high levels of water promotes the exposure of soil sources of infection and its dissemination in the territory. The formation of a large amount of water-logged sectors and the filling of low contours with water create favorable conditions for the emergence of infections. The migration of animals—the main carriers of pathogens of illness—create the threat of transmission of natural sources of infections and their concentration in individual sectors.

Large industrial complexes are exposed to the action of the sea: Altyrau, Tengiz, Buzachi, and the Aktau complexes with the cities of Atyrau, Balykshi, Fort-Shevchenko, and Aktau. A number of water management facilities will go out of commission: irrigation channels with a total length of about 1,300 kilometers, systems of regular and flood irrigation in an area of 38,500 hectares, more than 1,500 hydro facilities and pumping stations.

The size of the population that falls in the zone of inundation by wind-induced water surges is 300,000 persons, including in Atyrau Oblast—265,000 persons, or 58.3 percent of the entire population of the oblast, and in Mangistau Oblast—35,000 persons (10 percent). More than 700 kilometers of hard-surface motor roads, sectors of railroads for a length of 290 kilometers, airports in Atyrau and in rayon centers, the seaports of Atyrau, Aktau, and Bautino, pipelines with a length of 890 kilometers, and more than 900 kilometers of high voltage 110-220 kilowatt electric power lines will fall in the zone of influence of the Caspian.

Oil and gas fields are exposed to the greatest influence of the sea. Thus in Atyrau Oblast, 20 fields (including Tengiz and Korolev) out of 32 are subject to rises in ground water and to flooding. The following fields have practically ended up in a flood zone: Tazhigali, Pribrezhnoye, Pustynnoye, Teren-Uzek, Kok-Arna, Vostochnaya Kok-Arna, Martyshi, Yugo-Zapadnoye and Yugo-Vostochnoye Kamyshitovoye, Morskoye, Zapadnaya Prorva, Rovnoye, Zaburunye, Zhanatalap, Akkuduk, Marshibay, Ayrankol, Karagan, and Karaton.

In Mangistau Oblast a rise in the sea level represents the biggest threat for the Buzachi complex, which includes the Kalamkas and Karazhanbas oil fields (42.8 percent of the oil production in the oblast), and it is presently half flooded with water. The Arman, Zhalgystobe, and Zevernoye Buzachi fields went under water completely.

The discharge of industrial and business sewage from enterprises of the city of Atyrau is conducted through separate sewer systems of the left bank and right bank sections. Twenty-one enterprises of the left bank section of the city conduct their discharge of sewage without biological treatment into evaporation fields in a volume of about 20 million cubic meters daily, given a planned capacity of 6.4 million cubic meters. The evaporation fields are situated near the areas flooded by the Caspian Sea, and given strong wind-induced surge phenomena, the waves cause them to collapse. Annually 4.38 million cubic meters of sewage without biological treatment are discharged into the mechanical treatment facilities on the right bank section of the city, which have an effectiveness of 60 percent. Sewage evaporation fields of this part of the city have also ended up under threat of erosion from wind-induced surges. In addition, due to the high permeability of the soil, sewage from the evaporation fields easily gets into the water area of the Caspian Sea.

The fact that enterprises of the oil and gas complex have not satisfactorily organized protection of the oil fields from inundation causes particular alarm. An extremely tense situation has developed in Atyrau Oblast as a result of the absence of resources for the construction of protective facilities on the seacoast. There is no financial assistance from the republic investment fund of the oil and gas producing enterprises, and their own resources are extremely inadequate in connection with the insignificant volume of oil production and the numerous little fields that require protection from flooding. The previously planned large-scale environmental protection operations were halted in connection with the transfer of the Tengiz oil and gas complex to the joint enterprise Tengizchevroil, which stopped the financing of many environmental protection measures envisioned in the plan of the first starting complex.

Measures are not being undertaken to protect or transfer the oil pipeline on the Tengiz-Atyrau route, which in many sectors is under the influence of sea waves. Also lacking are the technical resources in case of eliminating accidents on the oil and gas pipelines under conditions of shallow sea waters.

Measures have also not been undertaken by the Atyrauenergo association to transfer the Atyrau-Tengiz LEP [overhead power line], whose supports for a distance of 100 kilometers have ended up in the water and could be destroyed at any time, especially in the winter-spring period during large ice movements.

Operations now being conducted to protect fields from flooding are in fact temporary measures against occurrences of wind-induced sea phenomena, but not against an increase in the sea level, inasmuch as the dams of local soil are easily penetrated and eroded in the course of one or two rather strong and prolonged storms. But the construction of major watertight dams calculated for a further rise in the sea level will require colossal expenditures that are incommensurate with the profits from the production of oil.

Under these conditions it is necessary to find new approaches to resolve these tasks by:

—ensuring ecologically safe and economically feasible development of oil fields, the introduction of new development technologies, including the use of jetties and other methods employed in world practice during the development of fields in a shallow water shelf;
—eliminating old small fields with insignificant residual retrievable reserves of oil whose protection from the action of the sea becomes unprofitable;
—transferring facilities of the productive infrastructure and external equipment from the flood zone.

Tajikistan

Rakhmanov Leaves For Brief Working Visit to Moscow

*LD0609112895 Moscow INTERFAX in English
1015 GMT 6 Sep 95*

[FBIS Transcribed Text] Dushanbe, Sept 6 (INTERFAX) — President Emomali Rakhmanov, of Tajikistan, left Dushanbe for Moscow on Wednesday morning on a brief working visit.

The Tajik Foreign Ministry has said that Rakhmanov will meet with President Yeltsin and Prime Minister Viktor Chernomyrdin.

In the course of the visit a number of agreements will be signed to expand bilateral contacts and cooperation in various fields.

The Tajik government delegation includes Finance Minister Saidamir Zukhurov [name and title as received] and Finance Minister Anvarsho Muzaffarov.

'New Chapter' in Russian Relations Hailed

*LD0809145795 Moscow INTERFAX in English
1314 GMT 8 Sep 95*

[FBIS Transcribed Text] Dushanbe, Sept 8 (INTERFAX) — The talks Tajik President Emomali Rakhmanov and Russian President Yeltsin had in Moscow on September 6-7 have started a new chapter in the history of bilateral relations, Tajik presidential press-secretary Davlati Davlatov said.

The signed documents "lay down the rules for taking these relations to a qualitatively new level, keynoted by the intention to form a common customs territory and to coordinate reforms to involve Tajikistan and Russia in a joint market economy," Davlatov said.

"It is hard to underestimate the Tajik-Russian treaty for settling questions of double citizenship," Davlatov said. However that treaty would take effect only when it was ratified by the Tajik parliament and the State Duma.

The Tajik leadership, Davlatov said, welcomed the Russian government's readiness to extend a credit to Tajikistan to purchase commodities in Russia to fill the domestic consumer market and to maintain the national Tajik currency. The credit will be extended to Tajikistan when Russia's state budget for 1996 is approved. However, Davlatov did not mention the size of the credit.

Rakhmonov's press-secretary noted in particular the decision on additional measures to enhance security on the CIS southern border with Afghanistan.

He said in Moscow the sides discussed questions concerning the resumption of inter-Tajik talks, to resume in Moscow on September 18. "Russia welcomes the peace process in Tajikistan taking place under the auspices of the United Nations, and fully supports the Tajik leadership's intention to settle the inter-Tajik problems by peaceful political means," Davlatov said.

Rakhmanov: Russia 'Main Strategic Partner'

LD0809153795 Moscow ITAR-TASS in English 1355 GMT 8 Sep 95

[By Andrey Sidorin]

[FBIS Transcribed Text] Dushanbe, September 8 (ITAR-TASS) — "Russia remains a guarantor of security both in the central Asian region and all over the world," Tajik President Emomali Rakhmanov said here on Friday, speaking at a festive meeting on the occasion of the fourth anniversary of Tajikistan's Independence Day.

Turning to Russian-Tajik documents signed during the Tajik president's brief visit to Moscow on Thursday, he noted that they are aimed a deepening Tajik-Russian relations, and bring them "to a qualitatively new level of cooperation."

According to the president, this was graphically corroborated by a declaration on deepening and expanding all round cooperation between the two nations, which was signed by the Russian and Tajik presidents in the Kremlin on Thursday.

"Russia's readiness to render our republic material and technical aid, financial and food assistance, preparation for creating a single customs union and establishment of Tajik-Russian financial and industrial groups is another Graphic evidence that Russia was, is and will be the main strategic partner of Tajikistan," Rakhmanov stressed.

Turkish President Demirel Concludes Visit

LD1009175095 Moscow ITAR-TASS in English 1736 GMT 10 Sep 95

[FBIS Transcribed Text] Dushanbe, September 10 (ITAR-TASS) — Turkish President Suleyman Demirel said he was pleased with the results of his just-concluded visit to Tajikistan.

Speaking at a news conference in Dushanbe on Sunday [10 September], Demirel said he and Tajik President Emomali Rakhmanov had signed a number of important documents on scientific and technical cooperation and a joint declaration laying out the basic principles of relations between the two countries.

Asked about Turkey's priority interests in Tajikistan, Demirel noted that his country had no political interests in this Central Asian republic except for economic support for its economic reform and built its relations with it on an equal and mutually advantageous basis and the principle of non-interference in each other's internal affairs.

Iranian Minister Addresses Friday Prayer Gathering

LD0809153695 Tehran IRNA in English 1518 GMT 8 Sep 95

[FBIS Transcribed Text] Dushanbe, Sep 8 (IRNA) — Iranian Minister of Culture and Islamic Guidance Mostafa Mirsalim and his entourage participated in the Friday prayers held in the Jama Mosque of the Tajik capital.

In an address to the audience, Mirsalim dwelt on religious, cultural and political issues.

Congratulating the people on the anniversary of Tajikistan's independence from Soviet rule, he expressed hope that by relying on Islam the Tajik people would bury the hatchet and think about the reconstruction and progress of their country.

Referring to the sensitive state of the Tajik peace talks involving the government and the Islamic opposition, Mirsalim underlined that after the return of peace the people would be able to think about the progress and growth of their society.

Rakhmanov Says Reforms Almost Completed

LD0809191795 Moscow INTERFAX in English 1659 GMT 8 Sep 95

[FBIS Transcribed Text] Dushanbe, Sept 8 (INTERFAX) — Tajik President Emomali Rakhmanov told a meeting marking the 4th anniversary of the country's independence that reforms have almost been completed and a new constitution has laid the groundwork for a secular state.

Rakhmanov was confident that the continued talks with the opposition will be successful. He said his government will do its utmost to make this possible.

Rakhmanov was pleased with the results of his working visit to Moscow that ended on September 7. He said that relations with Moscow are moving towards integration.

Rakhmanov: Refugees Return 'Point of Honor'

LD0809161995 Moscow ITAR-TASS in English 1446 GMT 8 Sep 95

[By Nuriddin Karshibayev and Andrey Sidorin]

[FBIS Transcribed Text] Dushanbe, September 8 (ITAR-TASS) — "The return of Tajik refugees to their homeland is not the main strategic goal only, but is a point of honor and patriotism of every Tajik citizen," Tajik President Emomali Rakhmanov said.

Addressing a meeting on the occasion of the 4th anniversary of the proclamation of Tajikistan's independence, the president said the problem of the return of refugees is to a certain extent connected with the inter-Tajik negotiating process. "We are confident that peace and stability in our country will be reached by political means only. The talks held with leaders of the opposition in Kabul and Tehran have brought our positions closer. The Tajik government is making every effort to make the forthcoming round of inter-Tajik talks decisive in the matter of stabilisation and national reconciliation," Rakhmanov said.

The Tajik president said words of gratitude, appreciating the contribution made by the Russian leadership, Central Asian states, the United Nations, Afghanistan and Iran to the political settlement of the Inter-Tajik conflict.

Turkmenistan

Joint Communique Reported; Leghari Returns Home

BK0809154895 Islamabad Radio Pakistan Network in English 1400 GMT 8 Sep 95

[FBIS Transcribed Text] Pakistan and Turkmenistan have agreed to give highest priority to establish linkages between them through roads, railway, natural gas and oil pipelines, and electricity transmission. This has been stated in a joint communique issued after the conclusion of the state visit by President Farooq Ahmad Khan Leghari to Turkmenistan. The two presidents reviewed the progress achieved so far on the agreements signed between their two countries on 15 March in Islamabad on gas and oil pipelines. The two leaders observed that this project would have great effect on the economies of Pakistan, Turkmenistan, and Afghanistan. During the president's visit, Pakistan and Turkmenistan concluded an agreement on further expanding trade in cotton. Pakistan with its expanding textile industry has a potential for importing greater quantities of high quality Turkmen cotton.

President Farooq Ahmad Khan Leghari and President Niyazov expressed their conviction that special relationship between Pakistan and Turkmenistan was motivated by the objectives of raising socioeconomic level of both countries and strengthening regional stability.

The communique says the two presidents in their talks discussed bilateral, regional, and international subjects of mutual interest. These talks were marked by commonality of views. The Pakistan president briefed his Turkmen counterpart on the situation in the Indian-held Kashmir and Pakistan's persistent efforts for a peaceful negotiated settlement of the Kashmir dispute in accordance with the relevant UN resolutions. The Turkmen president appreciated Pakistan's efforts to achieve a peaceful and early resolution of the Kashmir issue. He expressed the readiness of his country to support any effort of the countries involved to achieve peace and accord.

On Afghanistan, the two leaders stressed that stability in that country was essential for peace in the region and reconstruction and rehabilitation of Afghanistan. They condemned the unprovoked attack on the Pakistan Embassy in Kabul, describing it as a gross violation of international law and time-honored diplomatic principles and practices. The two leaders expressed their satisfaction with the process of normalization taking place in Turkmenistan.

President Farooq Ahmad Khan Leghari has expressed his full satisfaction over his talks with his Turkmen counterpart Mr. Saparmurad Niyazov, saying they had similarity of views on bilateral and regional issues. He was talking to newsmen in Ashgabat before his departure to Pakistan after concluding his three-day state visit to Turkmenistan. The president said Turkmenistan fully appreciates Pakistan's policy aimed at promoting stability and security in the region. He said Pakistan and Turkmenistan fully realized the need for stability in Afghanistan and Central Asia as it was in the national as well as economic interest of all the countries of the region. He said the sovereignty and integrity of Afghanistan should remain preserved without any outside interference. The president pointed out that Pakistan has its interest in the stability and peace in Afghanistan as the country still shelters some 1.4 million Afghan refugees.

Referring to the gas pipeline project linking Turkmenistan with Pakistan, he said the Sui Northern Gas Pipeline and Sui Southern Gas Pipeline have decided to become part of the project. The OGDC [Oil and Gas Development Corporation] also wants to take part in the project. He said estimates are ready for the road project to link Pakistan with Turkmenistan. It would require $120 million to make this project feasible. Similarly, railway link project study has been carried out by a Spanish firm and the project may cost $800 million.

Earlier, President Farooq Ahmad Khan Leghari held final round of talks with President Niyazov in Ashgabat today. Later, he attended a briefing about the supply of gas from Turkmenistan to Pakistan and was informed that the project was feasible both technically and economically. The president suggested the setting up of a consortium of foreign companies for the gas supply project.

President Farooq Ahmad Khan Leghari returned to Islamabad this evening after a three-day state visit to Turkmenistan.

Iran, Turkmenistan, Ukraine Hold Tripartite Session

LD0909174295 Tehran IRIB Television First Program Network in Persian 1630 GMT 9 Sep 95

[FBIS Translated Text] The tripartite session of the Islamic Republic of Iran, Turkmenistan, and Ukraine began work in Ashgabat today. According to our correspondent, at the first round of talks, the three countries' foreign ministers examined the outcome of the work of the specialist committees in the fields of finance, banking, commerce, industry, and energy. Foreign Minister 'Ali Akbar Velayati referred to the first tripartite session, which was held in Tehran as a result of the Islamic Republic of Iran's efforts, and he expressed the hope that the Ashgabat session will lead to the all-sided expansion of economic and commercial ties between the three countries. The minister of roads and transport and several deputy ministers are accompanying the foreign minister on this trip.

Iran's Velayati on Regional Groupings

LD0909185395 Tehran IRNA in English
1758 GMT 9 Sep 95

[FBIS Transcribed Text] Ashgabat, Sept. 9, IRNA — Iran's Foreign Minister 'Ali Akbar Velayati Said at the second trilateral ministerial assembly of Iran, Turkmenistan and Ukraine, here on Saturday that multilateral relations play a leading role in identifying national goals and promoting regional peace.

He said the existence of such regional groupings as the European Union (EU), the Organization of African Unity (Unity) [as received], Latin American Integration Association (LAIA), the Association of Southeast Asian Nations (ASEAN), the Organization of the Islamic Conference (OIC) and the Economic Cooperation Organization (ECO), was proof of the conviction that multilateral cooperation was promotive of mutual interests and national security.

The Iranian foreign minister said the trilateral assembly which first convened in Tehran last April was a prelude to increasing the volume of trade exchanges between the three countries in the near future.

Velayati arrived in Ashgabat for the trilateral meeting earlier in the day.

Velayati: Outcome 'Unprecedented'

LD1009190995 Tehran IRNA in English
1739 GMT 10 Sep 95

[FBIS Transcribed Text] Ashgabat, Sep 10 (IRNA) — Iranian Foreign Minister 'Ali Akbar Velayati here on Sunday described the outcome of the trilateral meeting with his Turkmen and Ukrainian counterparts here, as unprecedented.

The three foreign ministers signed an agreement earlier today on boosting trade investment and trade on barter basis. The banking systems of the three countries will monitor implementation of the accords.

The agreement paves the way for export of Turkmen gas to the world market.

After finalization of the accord, Velayati said the agreement will serve mutual relations and will not be contrary to the interests of a third party.

He said the trilateral accord encourages other countries to go ahead with such trade cooperations and a similar trilateral meeting will be held in Ashgabat tomorrow, Monday, involving Iran, Tajikistan and Turkmenistan.

Velayati said regional cooperation will help consolidate security in central Asia and the Caucasus in addition to the financial and political benefits involved.

Turkmen Foreign Minister, Boris Shikhmuradov, and Ukrainian Foreign Minister, Hennadiy Udovenko, described the ministerial meeting as "fruitful," and said the agreement reached between the three countries will serve to promote friendly relations among their respective nations.

Trade Agreements Signed

LD1009185195 Tehran IRNA in English
1722 GMT 10 Sep 95

[FBIS Transcribed Text] Ashgabat, Sep 10 (IRNA) — Foreign ministers of Iran, Turkmenistan and Ukraine here on Sunday signed a letter of understanding to boost investments and trade on a barter basis.

The agreement envisaged setting up a state committee to coordinate trade and investment programs among Iran, Turkmenistan and Ukraine.

The state committee will also follow up implementation of the accords.

Turkmenistan will supply gas to Ukraine and Ukraine will supply Iran with rails worth dlrs. 10 million for the current year 1995 to be used by the Iranian Railway Network.

Iran has undertaken to build roads in Turkmenistan and will start with construction of the Ashgabat-gougtapeh Highway.

The banking systems of the three countries will monitor adequate fulfillment of the business between the signatories to the trade treaty.

The three countries will help promote trade in the public or private sectors to strengthen the friendly relations between their respective nations.

The signatories to the trade treaty agreed to share information about legal procedures in the field of investment and foreign trade such as levying taxes, tolls or other kinds of payments.

The next ministerial meeting of the three countries will be held in Kiev, Ukraine in the spring of 1996. The first such meeting was held earlier this year in Tehran.

Ukraine's Udovenko Meets Niyazov

LD0909190795 Moscow INTERFAX in English
1654 GMT 9 Sep 95

[FBIS Transcribed Text] Ashgabat, Sept 9 (INTERFAX-UKRAINE) — Ukrainian Foreign Minister Hennadiy Udovenko met with Turkmen President Saparmurad Niyazov in Ashgabat Saturday and handed him a letter from Ukrainian President Leonid Kuchma. In the letter Kuchma stressed that Ukraine is prepared to actively cooperate with Turkmenistan.

"We are interested in cooperating with Ukraine," said Niyazov.

He said that Ashgabat "has many proposals to Kiev on military issues, trade, oil and gas." Niyazov offered Turkmen territory as a base in Ukraine's trade with Eastern countries, promising preferential treatment to the Ukrainian side.

The Ukrainian government delegation headed by Udovenko arrived in Ashgabat today to take part in the talks between foreign ministers of Ukraine, Iran and Turkmenistan.

The delegation includes Industry Minister Valeriy Mazur, First Deputy Foreign Economic Relations and Trade Minister Igor Podolev, Deputy Finance Minister Nikolay Sivulskiy and Oil and Gas Committee head Yevhen Dovzhok.

Foreign ministers of the three countries signed a trilateral memorandum on cooperation in April of 1995 in Tehran. Under the memorandum, Ukraine is to supply mineral fertilizers and machine-building industry production to Iran, as well as to upgrade Iranian metallurgical plants. Iran, in its turn, pays for the supplies of Turkmen gas to Ukraine.

Udovenko told Ukrainian journalists accompanying him during the visit that the three ministers will discuss, among other issues, Ukraine's participation in the construction of a pipeline to supply Turkmen gas to Europe. "Kiev has taken its decision on the issue," now it is up to the other side to decide, said Udovenko.

Udovenko Lauds Iran's Stabilizing Role

LD1009212995 Tehran IRNA in English
2109 GMT 10 Sep 95

[FBIS Transcribed Text] Ashgabat, Sep 10 (IRNA) — Ukrainian Foreign Minister Hennadiy Udovenko here Sunday lauded Iran's efforts to restore stability and security in the Caucasus and Central Asia as well as in the Balkans.

In an interview with IRNA, Udovenko announced his country's willingness to contribute to the implementation of industrial and economic projects in Iran and underscored the need to strengthen Tehran-Ashgabat-Kiev trilateral cooperation.

Referring to the "growing" Tehran-Kiev relations, Udovenko said that Ukrainian Prime Minister Yevheniy Marchuk was to visit Iran this year after a session of the Tehran-Kiev Joint Economic Commission.

He expressed hope that President Akbar Hashemi-Rafsanjani would also visit Ukraine next year following Marchuk's Tehran visit.

The Ukrainian minister termed Tehran-Ashgabat-Kiev trilateral cooperation as a "very good" model for regional cooperation to follow and expressed satisfaction with the outcome of talks held by economic experts of the three countries.

Uzbekistan

Iranian Commerce Minister Holds Meetings in Tashkent

LD0909143595 Tehran IRNA in English 1401 GMT 9 Sep 95

[FBIS Transcribed Text] Tehran, Sep 9 (IRNA) — Iran's Minister of Commerce Yahya ol-Eshaq currently visiting Uzbekistan on Thursday [7 September] had separate meetings with the deputies to the Uzbek prime minister in charge of transportation, commerce and trade and with a number of economic officials.

In the meetings, the two sides explored new avenues for further expansion of Tehran-Tashkent relations in the fields of transportation and telecommunications.

Karimov Decree on Regulating Securities Market

LD0909141595 Tashkent NARODNOYE SLOVO in Russian 8 Sep 95 p 1

[Decree by the president of the Republic of Uzbekistan on additional measures to develop the securities market]

[FBIS Translated Text] With the aim of implementing state policy on developing, strengthening, and expanding the securities market, removing current obstacles on the path of its development and ensuring protection of the rights and interests of shareholding investors [I decree]:

1. A State Commission on Securities and Stock Exchanges is to be set up with the status of a state administration body under the Ministry of Finance of the Republic of Uzbekistan.

2. It is ordered that the functioning of the state commission is to be ensured by its working apparatus and a Coordinating Council made up according to the appendix [to this decree]. The Coordinating Council is to be charged with drawing up recommendations on conceptual approaches to the formation and development of the securities market and on state regulation of the stock market, and with the preparation of proposals to improve legislation in this field.

3. The main task of the State Commission on Securities and Stock Exchanges under the Ministry of Finance of the Republic of Uzbekistan is to be the implementation of state policy in the field of the formation, development, supervision and regulation of the securities market.

4. The state commission is to be charged with tackling the following tasks:

elaboration of normative acts which provide the necessary legal conditions for the issue and effective circulation of securities of Uzbek and foreign issuers on the national and international securities markets;
registration, admission to the market and regulation of the circulation of securities, including those of foreign issuers;
defense of the rights and interests of investors, both legal and natural persons, carrying out operations in securities;
participation, in conjunction with relevant state agencies, in creating an effective infrastructure for the securities market;
coordination of the activities of ministries, departments, local bodies of administration of the Republic of Uzbekistan and direct participants in the securities market;
maintenance of unified state registers of securities registered in the republic, as well as of legal persons who have been granted licences to conduct activities as investment institutions;
supervision of observance of legislation on the issue and circulation of securities;
maintenance of accounts, the creation of a database on the organization and development of the securities market, and broad provision of information to investors and the public.

5. The State Committee for Property of the Republic of Uzbekistan, in conjunction with the State Commission on Securities and Stock Exchanges, is to ensure:

equal access for investment institutions to trading at a stock exchange;
that securities are put up for open sale, with real demand and supply, the financial and economic indices of the issuers and the degree of liquidity of the securities taken into consideration.

6. With a view to raising the level of interest of participants in the securities market and to stepping up operations on the stock market:

the income of legal and natural persons of the Republic of Uzbekistan obtained from securities trading, in the form of dividends and of the difference in their buying and selling prices, is to be exempted from tax for a period of three years from 1st July 1995

the tax on operations in securities imposed on participants in a deal to conclude a contract for purchase or sale of securities is to be cancelled from 1st September 1995;
the rate of tax on operations in securities imposed on an issuer of securities for registering a securities issue prospectus is to be reduced from 0.5 per cent of the nominal issue price to 0.1 per cent from 1st September 1995.

7. With a view to stimulating participation by foreign investors in the securities market, the Ministry of Finance, the Central Bank and the State Tax Committee of the Republic of Uzbekistan, in conjunction with the State Commission on Securities and Stock Exchanges, are to:

ensure the necessary supervision of observance of the rights of foreign investors to acquire securities issued in the Republic of Uzbekistan and to convert the invested funds and income from them for subsequent repatriation in accordance with legislation currently in force;
draw up and approve within 10 days a procedure for the admission, registration and placement of securities issued by foreign issuers on the territory of the Republic of Uzbekistan and by Uzbek issuers abroad.

8. Paragraph 2 of point 6 of the decree of the president of the Republic of Uzbekistan "On measures to accelerate the conversion of state-owned enterprises into joint-stock companies and to improve the securities market" is to be considered invalid.

9. The Ministry of Justice of the Repubiic of Uzbekistan is to prepare proposals within 10 days on making amendments to legislation of the Republic of Uzbekistan currently in force which arise from the present decree.

10. The Cabinet of Ministers of the Republic of Uzbekistan is to adopt a resolution within 10 days on organizational measures to implement the present decree.

11. The Cabinet of Ministers of the Republic of Uzbekistan is to be charged with supervising the implementation of the present decree.

[Signed] I. Karimov, president of the Republic of Uzbekistan, Tashkent, 7 September 1995.

Armenia

World Bank Official on Assistance to Armenia

NC0909203795 Yerevan SNARK in English 1609 GMT 9 Sep 95

[FBIS Transcribed Text] Yerevan, 9 September (SNARK) — "I am content with the process of economic reforms in Armenia", said Wilfried Thalwits, the World Bank [WB] vice-president, who is presently visiting Armenia. He surveys the course of economic programs being supported by the WB. Ending of privatization process and strengthening of banking system in Armenia will help to develop its small-scale and medium businesses, he observed, which in its turn will open new perspectives for the economic growth of republic.

The World Bank is financing special programs of fast economic recovery in Armenia, said Mr. Thalwits, by granting soft credits for 35 years, with only 0.5 percent annual interest. In 1996-97 the total WB credit for development of banking system, industry and agriculture in Armenia will reach $130 million. So far, the WB has already released $140 million to Armenia.

Today Wilfried Thalwits had a meeting with the Prime Minister Grant Bagratyan, as well as with ministers of economy, finances, energy resources, industry and agriculture.

Delegation To Participate in Venice Commission Meeting

NC0909094795 Yerevan NOYAN TAPAN in English 1706 GMT 8 Sep 95

[FBIS Transcribed Text] 08/09/95 NOYAN TAPAN — On September 8, the 24th plenary session of the European Council's Venice Commission, in which an Armenian delegation headed by Deputy Foreign Minister of Armenia Vardan Voskanyan is also participating, started in Venice. The session will last until September 9.

In December 1991 Armenia appealed to the European Council requesting the latter to allow it to attend Parliamentary Assembly with a special status. In February 1995 the bureau of the Parliamentary Assembly decided to grant Transcaucasian states a special status.

According to Foreign Ministry of Armenia, in March 1995 the Committee of Ministers of the European Community decided to start a political cooperation with the Government of Armenia before granting it a special status.

Armenia's participation in the Venice Commission of the European Council is the first step on the way to membership in this international organization.

Karabakh 'Republic' Celebrates Fourth Anniversary

NC1009204895 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 1346 GMT 10 Sep 95

[FBIS Transcribed Text] Stepanakert ("RESPUBLICA ARMENIA" daily), 09/05/95 — The Republic of Mountainous Karabakh [RMK] celebrated its fourth anniversary. Prime Minister of the young republic Leonard Petrosyan said declaration of independence was a courageous action from the point of view of international law and then acting legislation of USSR, since the danger existed to be buried under the wreckage of collapsing USSR and to become an object of aggression of newly independent Azeri republic.

According to the Prime Minister, the republic passed through a difficult and long path of establishing its statehood and providing security to the population. Declaration of independence activated a new stage in resolution of the Karabakh conflict and a set of complex problems as, say, the status of RMK. In regard with establishing and strengthening the state and improving living conditions of the population Mr. Petrosyan said long time and dedicated efforts of all citizens of RMK are required to resolve these problems.

Azerbaijan

Aliyev Wants Strengthened Ties With Iran

LD0909140495 Tehran IRNA in English 0728 GMT 9 Sep 95

[FBIS Transcribed Text] Tehran, Sep 9 (IRNA) — Iran and Azerbaijan should not let their common enemy mar their bilateral relations, said Azeri President Geydar Aliyev on Friday [8 September] during a ceremony in which the new Iranian Ambassador to Baku handed over his credentials.

Admitting that there were individuals and power centers which opposed the expansion of Tehran-Baku relations, the Azeri president regretted the attitude of the Azeri press in this connection.

Given the common bonds between Iran and the Republic of Azerbaijan, Aliyev stressed that mutual ties should be further developed.

Referring to the letters of understanding signed between Iran and Azerbaijan at the time of official visits by the presidents of the two countries, the Azeri president said the documents provided suitable grounds for promotion of bilateral ties.

Aliyev, while appreciating the humanitarian assistance provided by Iran to Azeri refugees, underscored that people in his country would never forget Iran's assistance.

Moreover, the Azeri president described Iran's assistance to the Autonomous Republic of Nakhichevan as "valuable" and hoped that the trend would be continued until problems were solved.

Aliyev also expressed hope that plots engineered by common enemies of Iran and Azerbaijan would be foiled through the vigilance and alertness of officials in the two countries.

The newly appointed Iranian diplomat, 'Ali Reza Bikdeli, also called for maintaining bilateral friendly ties.

Aliyev Sends Message on Bosnia to Islamic Conference

NC0909102395 Baku TURAN in English
1010 GMT 8 Sep 95

[Geydar Aliyev Hopes That Islamic Conference Organization Will Take Measures to Peace Resumption in Bosnia—TURAN Headline]

[FBIS Transcribed Text] Baku/08.09.95/TURAN: The Azeri President Geydar Aliyev sent a message to Hamid al-Ghabid, the Islamic Conference Organization [Organization of the Islamic Conference] General Secretary. In the message he expressed his understanding of the disturbance in the Islamic world due to the tragedy in Bosnia and Herzegovina.

Geydar Aliyev expressed also his hopes that in the extraordinary session the Islamic Conference Organization will take measures to establish a peace in Bosnia and Herzegovina.

Russia 'Considering' New Talks Representative

NC0909102295 Baku TURAN in English
1010 GMT 8 Sep 95

[No Progress is Observed in Azeri-Armenian Talks Held in Moscow. Russian Foreign Ministry to Change his Representative on Talks—TURAN Headline]

[FBIS Transcribed Text] Baku/08.09.95/TURAN — Tomorrow in Moscow the next round of Azeri-Armenian talks is coming to an end by the mediation of the Minsk Group of OSCE. The negotiators have been placed in one of the suburban deserts of the Russian Foreign Ministry.

"The sides agreed upon not to make statements in the press until the talks completed", said Ramiz Rizayev, the Azeri Ambassador in Russia in his interview to TURAN correspondent.

But to the Russian Foreign Ministry experts' opinion, no significant progress have been observed during the current round of the Azeri-Armenian talks. "The sides have not come to the final conclusion that in which order to solve the key problems. The opinions of the sides on this question is still opposite. If one question appears to be essential for one side, the other side is going to put off it to the final stage of the settlement," said one of the Russian Foreign Ministry representative in his talk with TURAN correspondent.

According to the informed source obtained from the circles close to the leadership of the Foreign Ministry of Russia, the Smolensky Square [place name as received] is considering new candidates together with Vladimir Kazimirov [name as received], the present Russian mediator, the special representative of the Russian President on the talks of Nagorno-Karabakh. According to the Russian diplomats if Moscow fails to succeed a desirable result in the talks, Mr. Kazimirov will be nominated an ambassador to one of the Latin American countries.

Baku, Chisinau Sign Trade Agreement

LD0909170995 Moscow INTERFAX in English
1332 GMT 9 Sep 95

[FBIS Transcribed Text] Baku, Sept 9 (INTERFAX) — Azerbaijan and Moldova have signed an agreement on principles of the trade and economic cooperation for the coming five years. The document was signed on Friday by the two countries' prime ministers Fuat Guliyev and Andrea Sangeli.

The Moldovan prime minister arrived in Azerbaijan on Thursday.

In line with the agreement, Azerbaijan will mainly export to Moldova oil and its products, as well as oil equipment.

For its part, Moldova will export to Azerbaijan mainly vegetables, grain, flour, as well as consumer goods.

Meeting with Azeri President Geydar Aliyev, the Moldovan prime minister said that the two countries had also signed a protocol on supplies from Moldova of 200,000 tonnes of grain and 50,000 tonnes of flour in exchange for Azeri oil products. The protocol will begin to be implemented shortly and the implementation will cover six months.

He also said that Moldova will soon send to the Nakhichevan Autonomous Republic 25,000 tonnes of flour through Turkish Black Sea ports.

Georgia

Moscow Thanked For Efforts in Building Armed Forces

LD1109090795 Moscow ITAR-TASS in English 0819 GMT 11 Sep 95

[By Tengiz Pachkoria]

[FBIS Transcribed Text] Tbilisi, September 11 (ITAR-TASS) — Russia provided considerable assistance to Georgia in its efforts to create Georgia's own armed forces, Vice-Premier Avtandil Margiani said on local television today.

This assistance was provided both along the line of the Russian Defence Ministry and the Federal Border Service of Russia, Margiani said.

The vice-premier noted "huge role" the Russian armed forces have to play in protecting Georgia's state borders.

Margiani rejected allegations by some Georgian politicians and public figures that the republic had "no effective national army." According to the vice-premier, Georgia's armed forces "are capable of guarding the republic's state borders and restoring Georgia's territorial integrity."

Russia's Pastukhov Deplores Breakdown in Abkhaz Talks

LD0809121595 Tbilisi IBERIA in Georgian 1005 GMT 7 Sep 95

[FBIS Translated Excerpt] Moscow, 7 Sep — As is known, the Georgian-Abkhaz talks, which were aimed at a peaceful settlement of the conflict, collapsed in the beginning of September in Moscow. In connection with this, Boris Pastukhov, deputy foreign minister of the Russian Federation, has made the following statement at a press conference:

"It is with deep sorrow that I am compelled to admit that after a long break, the Georgian-Abkhaz talks, which were resumed on 30 August, have once again been disrupted by the Abkhaz side. Two days earlier, the Abkhaz side had expressed satisfaction over the resumption of talks, and it seemed that they had reacted positively to the appeals made by the Russian president's envoy, the deputy leader of the government, and Eduard Brunner, the special envoy of the UN secretary general, that during the talks they should abide by the drafts protocol worked out at the previous stages of talks on the Georgian-Abkhaz conflict settlement. The Abkhaz side refused, however, to discuss this document also, not putting forward an option or a draft for the conflict settlement. This can be qualified as irresponsibility. This shows complete disrespect for both the partners at the talks, as well as for Russia and the United Nations' efforts to mediate at the talks."

The statement also says that the key political issues remain open. [passage omitted]

Meanwhile, Boris Pastukhov thinks that the stance adopted by the Abkhaz side in connection with the situation is unacceptable, and he deems counterproductive and dangerous the appeal by the Abkhaz leadership to conduct talks with the Abkhaz side as a sovereign state. This would mean a violation of Georgia's territorial integrity. Pastukhov thinks that "this will cause the situation to deteriorate not only in the conflict zone, but in all of the Caucasus region."

Abkhaz Foreign Minister Denies Talks Suspended

LD0809182195 Moscow INTERFAX in English 1659 GMT 8 Sep 95

[FBIS Transcribed Text] Sukhumi, Sept 8 (INTERFAX) — Talks between representatives of Georgia and Abkhazia "have not been suspended and are continuing," Abkhaz Foreign Minister Leonid Lakerbaya told a press conference in Sukhumi today.

Lakerbaya said the Abkhaz side was currently working on its proposals concerning "possible relations with Georgia."

Lakerbaya said: "All proposals should be discussed in Abkhazia on the broadest level." He told reporters that "the Abkhaz president supports the Abkhaz delegation's position at the talks." Lakerbaya said the Abkhaz president had praised the Abkhaz negotiators for sticking to the statement on political settlement of the Georgian-Abkhaz conflict signed on April 4, 1994.

Lakerbaya said Sukhumi did not link the Georgian-Abkhaz talks to the coming elections in Russia.

Goguadze on 'Hope' for Resolution of Abkhaz Crisis

LD0909124095 Moscow ITAR-TASS in English 1118 GMT 9 Sep 95

[By Tengiz Pachkoria]

[FBIS Transcribed Text] Tbilisi September 9 (ITAR-TASS) - Hope is glimmering after the Russian and Transcaucasian parliaments met in St. Petersburg that Georgia's jurisdiction over its enclave of Abkhazia will be restored, Georgian parliament chairman Vakhtang Goguadze said in a television address today.

He said the documents which were signed by at the St. Petersburg meeting are of great importance for Georgia.

The meeting discussed a programme for reestablishment of peace and stability in the troubled Transcaucasian and North Caucasian regions.

The assembly has set the stage for a summit meeting of Russian President Boris Yeltsin with the presidents of the three Transcaucasian republics.

The summit is due to be held in Sochi in the nearest time.

Shevardnadze Interviewed on Current Issues

LD1109112995 Tbilisi Radio Tbilisi Network in Georgian 0533 GMT 11 Sep 95

[Interview with Georgian Head of State Eduard Shevardnadze by Nato Oniani in Tbilisi — live]

[FBIS Translated Excerpt] [Oniani] We present to you a radio interview with Mr. Eduard Shevardnadze, the Georgian head of state and chairman of Parliament.

Last week's most important economic development was your visit to the Republic of Uzbekistan on 4 September. The Uzbek president [Islam Karimov] paid special attention to communications and expressed an interest in tea, citrus fruit, construction materials, light industry, and metallurgy. Twenty-two government agreements were concluded, including a cooperation agreement between the two countries.

[Shevardnadze] Thank you. Good morning. As far as the establishment of political and economic stability is concerned, the first working week of September was marked by a normal, businesslike pace. As you have rightly said, the week's most noteworthy event was the head of state's visit to Uzbekistan. It was a very productive visit from both the political and economic points of view. It reaffirmed our country's extremely important role in developing regional and subregional cooperation among the countries of the Transcaucasus and the Black Sea [as heard] and great geopolitical prospects for the Transcaucasus transport corridor.

It was also essential for the restoration of traditional economic links between Georgia and Uzbekistan. By the way, these links used to be very extensive. In many spheres Uzbekistan was the second most important partner for Georgia in the former Soviet Union. It is very important to restore these links. The signing of the agreements which you have mentioned will contribute towards the creation of a legal base for this. I will not give a list of those agreements, because I have already had the chance to speak to our TV viewers and radio listeners about it.

I must tell you that Uzbekistan's leadership did everything to ensure that the visit was well organized, achieved wonderful results, and was held in a specially warm and friendly atmosphere. I would like to take this opportunity to convey my sincere and friendly thanks to President Islam Karimov for his hospitality and absolute support. Relations between Georgia and Uzbekistan have a great future.

I would like stress the good prospects for the development of the transport corridor and light industry. Georgia's cooperation with Uzbekistan as well as Azerbaijan is of crucial importance for making full use of the potential of light industry.

Our people, all of us, also greatly appreciate Mr. Karimov's statement condemning any form of separatism and, especially, aggressive Abkhaz separatism. He shares our views on this. I must say that all CIS member states, together with the international community, also condemn Abkhaz separatism. [passage omitted]

Unless the lari [new Georgian currency, to be introduced at the end of September] becomes the sole form of tender, there is no sense in introducing it. It will only be strong and useful if the state ensures that it is the sole form of tender. Ideal conditions should be created for everybody who has Russian rubles, dollars, marks, and other currencies to change money without any hindrance. I do not think that we will meet with any other obstacles, although this requires a lot of well organized work. [passage omitted]

The coupon was an experiment which showed us a lot. I think that this reform should be conducted in a way which would be advantageous and beneficial for the population and which would mean another step forward in state-building.

Along with money reform, measures are being taken to mobilize budgetary funds. I will briefly tell you about it. According to data from the Ministry of Finance, total income in the republican budget as of 8 September 1995 amounted to 200 trillion coupons. This is significantly more than forecast. It is eight to nine percent higher than World Bank and IMF forecasts. [passage omitted]

[Oniani] You have said that during your visit to Uzbekistan, Islam Karimov reaffirmed his support for our territorial integrity. You had a telephone conversation with President Yeltsin last week. In that conversation and at a news conference, Yeltsin expressed his position regarding Abkhazia very clearly. He also said that the prime minister, Viktor Chernomyrdin, would soon visit Georgia. Earlier, a similar statement came from the deputy foreign minister, [Boris] Pastukhov. Do you think this is Russia's position or a statement made during the election campaign.

[Shevardnadze] I do not think that this is related to the election campaign. In fact, this is a continuation of the policy outlined by the president during his visit here [last year]. Nevertheless, I would like to stress that Georgia has welcomed the Russian president's categorical statement concerning the Abkhaz conflict.

As you know, we had a telephone conversation when I was in Svaneti [in northwestern Georgia]. I gives me pleasure to stress the president's categorical position on issues relating to the restoration of Georgia's territorial integrity.

According to our agreement, Russian prime minister Viktor Chernomyrdin will arrive in Tbilisi in the middle of this month. Of course, we expect a lot from this visit. There is a lot to be decided by us — I mean, the governments of the two countries. We welcome this visit. It will be a very important event in the life of the two peoples. I believe that the Russian leadership's resolute statements concerning guarantees for the restoration of Georgia's territorial integrity and concerning coordinated action against aggressive separatism will be made more specific and will result in real steps. [passage omitted]

[Oniani] Almost every day there are media reports of people having been arrested. This wave of arrests increased especially after the terrorist act on 29 August. Among the arrested people there are many members and officials of the Mkhedrioni and the Rescue Corps. There is talk that this is a campaign against the Mkhedrioni. What do you think about it?

[Shevardnadze] I must tell you that it is not a matter of campaigning against one group or organization. It is a matter of eradicating outrageous crime and stepping up the fight against killers, terrorists, bandits, and mafia clans. This fight did not start on 29 August. On 29 August there was an attempt to bring this policy, pursued by the head of state, to a halt. The fight started earlier. Everyone knows this full well.

Now everyone can see who has wanted democracy and what kind of democracy, and who has used demagoguery to speak about democracy and building a democratic state in Georgia. It was sheer demagoguery.

What we have been doing over the past year — with the support of the whole people, I repeat, and at the request of the people — is a real path and an essential and necessary condition for the creation of a democratic, stable, and strong state, for ensuring the well-being and safety of people and for the protection of human rights. There is no other path.

I would like to stress that not a single person — I state this categorically — will be arrested illegally. For us, this is a matter of principle, and this is our promise to our population and the whole world. [passage omitted]

[Oniani] At the rally held a day after the terrorist act of 29 August you said for the first time that you would stand for president. As is known, your nomination has so far not been registered. How should we interpret this?

[Shevardnadze] You are right. I have not yet sent a written agreement to the Central Electoral Commission. I will tell you a secret now. Last night I wrote a letter of agreement and it will be presented to the Electoral Commission later today. It must be noted that the Union of Citizens has nominated me for president, and, as far as I know, the nomination has been supported by the Tanadgoma political union, the union for the revival of Ajaria, the Reformers' Union — I am told they have discussed this and made their decision — the Socialist Party, the Greens and other political and public organizations. I do not think that collecting 50,000 signatures should be a big problem.

I made some remarks concerning the presidential and parliamentary elections at a meeting of the Union of Citizens yesterday. I believe that our listeners will have a chance to hear this short address. It would not be an exaggeration to say that it goes beyond the interests of a single party and contains my general position regarding the elections.

Shevardnadze To Run for President as Socialist Candidate

LD0909134495 Tbilisi SAKINFORM in Russian 1010 GMT 9 Sep 95

[FBIS Translated Text] [no dateline as received] — The press service of the Socialist Party of Georgia reports that a meeting of the party's chief committee decided to nominate Eduard Shevardnadze for the post of president of the country. Eduard Shevardnadze has agreed to be the Georgian Socialist Party's candidate for president.

Article Analyzes Attack on Shevardnadze

AU0909181395 Tbilisi REZONANSI in Georgian 31 Aug-1 Sep 95 pp 1, 2

[Report by Zaza Shanidze, Akaki Gogichaishvili, Rati Garsevanishvili: "Who Needed To Blow Up Shevardnadze"]

[FBIS Translated Text] On 29 August, an attack took place on the head of state. This fact can be assessed as attempted murder, imitation, or intimidation. This article presents several versions of the crime. We point out that such terrorist acts often occur when the interests of various interested parties coincide.

Disorder in Georgia Is in Russia's Interests

In the 29 August edition of KOMERSANTI, it is stated openly: "Russia is objectively interested in maintaining an unstable situation and, moreover, making it more acute in a broad region to the south of the Caucasus."

KOMERSANTI arrived at this conclusion during an examination of current processes in the Caucasus and Central Asia. Moscow is clearly afraid of losing its influence in these regions. Russia's principal opponent is Turkey while its main weapon is oil.

From the very beginning, Moscow has viewed the problem of Caspian oil from a purely political point of view. According to a statement made by the deputy director of the West European Institute, in the event that Caspian oil is routed via Turkey, Russia will lose its hegemony in the Caucasus and Central Asia. According to statements made by official Russian representatives, Russia interpreted the visits made by Turkey's president and prime minister to Kazakhstan and Transcaucasia as an open challenge. KOMERSANTI writes: "Turkey's desire to participate in the struggle to construct the grandiose oil pipeline on its territory threatens it with new cataclysms. Following the Turkish prime minister's visit to Almaty, this country, which, economically speaking, is the most developed in the region, has begun a big and, therefore, even more dangerous game." It is understandable that if the struggle for the oil pipeline is so "dangerous" for Turkey, it will be incomparably more risky for Georgia.

The "cataclysms" that are predicted for Turkey will naturally be planned in the main in Russia. Such disorders will also be planned in the Transcaucasian and Central Asian republics. Moscow is, to all intents and purposes, not even making any secret of this. A note full of threats sent by the Russian Ministry of Foreign Affairs to the Caspian states is further evidence of this. It states in particular that, if agreements are concluded with Western companies without permission from Russia, Russia will not assume responsibility for security during the transportation of the oil. Georgia occupies a central place in the oil struggle.

In such a critical situation, Eduard Shevardnadze's policy aimed at striking a balance is perceived with unconcealed annoyance in Moscow. The agreement on Russian military bases has not been ratified by Parliament and has not even been approved by the head of state. Relations with Turkey have been intensified: Visits by Turkey's top leaders have become more frequent and new border crossing points are being opened. Visits by high-ranking NATO representatives to Georgia have also become more frequent. Paruir Airikyan [name as transliterated], one of the most influential politicians in Armenia, on hearing that a U.S. frigate had docked at Batumi, was unable to conceal his astonishment and said that he could not understand finally what policy they were conducting.

Proceeding from all this, one of the most likely figures behind the terrorist act that occurred on 29 August is to be found in Moscow. If the attack on the head of state had been planned by Russia's special services, its aim should have been to frighten Shevardnadze or physically destroy him. In both instances, the main aim — to destabilize Georgia — has partly been achieved, particularly as the terrorist act occurred two days before Tansu Ciller's visit. If Eduard Shevardnadze had been killed, the plan to route the oil pipeline through Georgia and Turkey would have practically been buried.

It is significant that, in addition to the Caspian oil, Georgia occupies a central place in two more "anti-Moscow projects." The authors of the first are Azerbaijan and Ukraine. It has been the intention of both these most disobedient CIS member states to establish a communications link with one another via Georgia and circumventing Russia. It is basically a question of a transport route. Furthermore, Kiev and Baku are also trying to involve Central Asia in this project. The second "anti-Moscow alliance" was formed on 28 August with the "Bishkek declaration." This treaty was signed by the six Turkic-speaking states: Turkey, Azerbaijan, Kazakhstan, Uzbekistan, Turkmenistan, and Kyrgyzstan. The treaty is the first real embodiment of a pan-Turkic idea and is directed, first and foremost, against Moscow. Turkey, the main driving force behind this Turkic-speaking space, is separated from its brothers by four states: Russia, Iran, Armenia, and Georgia. The first three are clearly not interested in the creation of this space. Therefore, Georgia will again assume the central role in the implementation of the "Bishkek declaration."

Mamradze's List

The terrorist act carried out against Shevardnadze has been viewed as an attempted coup d'etat. True, official statements have generally blamed destructive forces, but implications and allusions have already started to direct public opinion along a certain path. The very first commentary on Russian television dealt at quite some length with the confrontation between Shevardnadze and Ioseliani [founder of the "Mkhedrioni" paramilitary organization] as one of the possible motives behind the terrorist act. Late that night, in a television interview, Petre Mamradze, chief of the head of state's apparatus, (who was himself injured as a result of the explosion) several times deliberately emphasized the fact that law enforcement employees are unable to enter certain rooms located on one of the floors of the Parliament building and it would have been possible to have set off the explosive device planted in the car in the courtyard of Parliament precisely from these rooms. Whoever has a good knowledge of the location of the rooms in Parliament and their occupants would easily understand what and whom Batoni [Georgian polite form of address] Mamradze meant.

Version One. Accusations against the Communists and the so-called "Zviadists" [supporters of ex-President Zviad Gamsakhurdia] have again been heard from Shevardnadze's supporters. As has become known from reliable sources, the police have already begun to arrest active "Zviadists."

It is interesting that the terrorist act directed against Shevardnadze (the blowing up of the car packed with explosives as soon as the terrorists' target appeared) resembles very much the unsuccessful terrorist act carried out against Jaba Ioseliani himself in 1992; "Zviadists" were exposed as the perpetrators and brought to trial. True, Gamsakhurdia's supporters have every reason to detest Shevardnadze and his regime. However, in today's conditions, when a large number of the active "Zviadists" are either in prison or in hiding and no longer have the financial means and equipment that they used to have, it is highly improbable that they would have carried out such an act. Furthermore, from a purely political point of view, if they were found out to be involved in Shevardnadze's murder, this would be equivalent to suicide for the "Zviadist" movement.

Version Two. This concerns the Communists. The "father-son" relationship between Panteleimon Giorgadze, leader of the Georgian Communists [chairman of the United Communist Party of Georgia], and Igor Giorgadze, head of the Security Service, can be used to discredit one and remove the other from his post. The Communists are viewed as being one of the most serious rivals to the supporters of Shevardnadze in the forthcoming elections while their alliance with the Security Service is not limited to the fact that Batoni Igor is Panteleimon's son. As Parliament Deputy Speaker Vakhtang Rcheulishvili, the second victim of the terrorist attack, has stated in his time, Giorgadze junior completely shares his father's views. The version concerning the Communists and Igor Giorgadze could be developed if the trail should lead the investigation to Moscow. However, it is very doubtful that, in today's situation, the current authorities would make any public statements about this.

Version Three. Jaba Ioseliani, the leader of the "Mkhedrioni," against whom several broadsides have been fired, has publicly condemned the terrorist act but, in so doing, has probably failed to convince Shevardnadze's supporters. The confrontation between him and the head of state, along with the impending elections, has reached its culmination. They say that, yesterday, at the emergency session of Parliament, Ioseliani told the "majority": "You will elect Shevardnadze again." "Thanks" to Shevardnadze, the political and economic positions of the "Mkhedrioni" and its leader have been significantly undermined in the space of just a few months (the incidents in Rustavi and Borjomi, the large-scale operations in Kakheti and Samtredia, the imprisonment of a number of "Mkhedrioni" leaders, and, most importantly, the removal of economic structures from under their control). A clear propaganda campaign has been directed against the "Mkhedrioni" with the aim of discrediting it and seeking its sociopolitical isolation in which the head of state himself has participated.

The search for allies against Shevardnadze has led Jaba Ioseliani to the "Zviadists" and Communists whom he himself had detested. It is as yet unknown whether an alliance has been formed between them. However, there are fairly well-grounded suspicions that close relations exist between Jaba Ioseliani and Security Service chief Igor Giorgadze. Igor Giorgadze has publicly stated that he was appointed to his present position on the recommendation of Jaba Ioseliani. There exists unverified information that the "cigarette business" controlled by the "Mkhedrioni" that is being oppressed by the authorities has been transferred into the hands of the Security Service more for "security" reasons, which has aroused a generally negative reaction in the Shevardnadze camp. If we judge by Shevardnadze's recent statements, the actions directed against the "Mkhedrioni" and Jaba Ioseliani were only a matter of time. Naturally, the other side has also not been idle.

Version Four. The "Abkhazian trail" that may be revealed during the investigation. By removing Shevardnadze from the political stage and, thereby, causing destabilization in Georgia, the settlement of the Abkhazian problem would be deferred for a long time. This would enable the separatist leadership to win the time that is so necessary for them.

To what extent the Abkhazians could have carried out such a terrorist act in Tbilisi can be seen very well from an interview given to REZONANSI recently by Abkhazian Supreme Council Chairman Tamaz Nadareishvili. According to him, the Abkhazian separatists have a well organized network of agents in governmental structures. Resolutions adopted by the Georgian Parliament or other documents are already within half an hour in the offices of the separatist government in Sukhumi. Proceeding from this, it probably would not have been difficult for Abkhazian agents to distract the attention of the Parliament guards and drive the car planted with explosives to the special car park.

However, in this case, the Abkhazian version is probably less plausible. Shevardnadze is a comparatively more predictable political figure for the separatists than other more radically minded Georgian leaders.

The King Lives! Three Cheers for the King?

The future development of events will largely depend on to what extent Shevardnadze will keep his promise of finally eradicating terrorism in Georgia and specifically against whom he will strike a blow. The removal of Igor Giorgadze from his post and the final neutralization of Jaba Ioseliani and the "Mkhedrioni" will probably be Shevardnadze's biggest achievement stemming from this incident. This would further increase his already high rating for the forthcoming presidential elections. As is already known, Shevardnadze will be taking part in them. However, carrying out all this will cost Shevardnadze and his people the greatest effort and it cannot be excluded that the "final and decisive" struggle against terrorism will backfire on the head of state and the country and bring a new wave of destabilization. The anti-Shevardnadze alliance in Georgia is not so weak as certain people think, particularly if we take into account that Russia's special services are paying great attention to it. After all, permanent chaos in Georgia is one of their main aims.

Shevardnadze is probably aware of this factor and, proceeding from his political methods, it is possible he will not touch either Giorgadze or Ioseliani. Shevardnadze may use their remaining on the political scene and the danger proceeding from this to score preelection political points and win over the distrustful part of society.

In the time remaining before the elections, the head of state, wearing the martyr's halo, will probably have no difficulty in imposing any decision upon the country and society. However, no one knows what form they will take. There are very many decisions on vital questions that need to be adopted.

Like Father...

No sooner had the terrorist act taken place than the search for the perpetrators began; the most frequently mentioned name was that of Igor Giorgadze. This is entirely logical. If we leave aside the fact that, as head of the Security Service he should be the first to be made answerable, Igor Giorgadze is, at the same time, the son of Panteleimon, the leader of the Reds, whose outbursts against Shevardnadze have recently been ten times more vitriolic. Some could say that a son is not responsible for his father's actions. However, you are familiar with the Georgian saying "like father, like son." It would not be so bad if the relationship between father and son were determined only according to proverbs, but the point is that their cooperation is wholly evident and real.

As representatives of the parliamentary opposition have informed REZONANSI, Giorgadze senior has been travelling around the rayons in vehicles belonging to the Security Service and advocating the overthrow of the present government. Things even got to the point where the security collegium recently adopted an anti-Shevardnadze stance. At the republican conference of law enforcement bodies held in the Parliament session hall on 12 August, which Igor Giorgadze did not attend, Shevardnadze told Avtandil Ioseliani [deputy head of the Security Service] that the heads of the Security Service should not bother to hold any more collegium sessions in light of his critical assessment of them and immediately added that this information should be passed on to those not present at the conference. Shevardnadze pointed out that the Security Service should only protect the state's interests and not those of any particular political party, even if one has very close relatives in it.

Against the background of all this, it is precisely with suspicion that one views Igor Giorgadze's unofficial visit to Moscow just before the terrorist act took place. It is also significant that his father was in Moscow just before him.

The parliamentary majority pointed the finger of blame at Igor Giorgadze immediately after the incident took place! [Parliamentarian] Ada Marshania stated that Parliament should hold an emergency session to discuss the Igor Giorgadze question. According to [Parliamentarian] Nestan Kirtadze, Igor Giorgadze should be made to answer for the terrorist acts taking place in the country and there should be a special discussion devoted to the activities of the Security Service and its chairman.

As Irina Sarishvili [leader of the National Democratic Party faction in Parliament] told REZONANSI, the majority is now unanimously condemning Giorgadze in the same way as it applauded his promotion to lieutenant general. "At that time, such an instruction came from above and it's the same now. So, there is also no essential difference here. I will say even more. It probably will not really matter whether Giorgadze is removed or not because Shevardnadze will replace him with someone else who will likewise be blindly applauded by the majority."

According to Sarishvili, the trips made to Moscow by Giorgadze senior and Giorgadze junior indeed arouse one's suspicion. It is also suspicious that, two hours after Giorgadze's return from Moscow, 10 people were arrested and charged with participating in the terrorist act on his instructions. Sarishvili believes that such an action by Giorgadze can only be explained by the fact that he already knew whom to have arrested during the flight back from Moscow.

However, Igor Giorgadze stated that this was not the time to level accusations. Speedy work was needed to uncover the terrorists. "There are sufficient materials," he added.

Black against white or black and white against all the other colors?

When speaking of the purpose and aim of this terrorist act, one cannot ignore the impending parliamentary elections.

There is no need to mention that the quality of political instinct in our society is low. It is also an indisputable fact that, given the diverse political spectrum today, the ordinary voter in Georgia can only distinguish two contrasting colors — black and white. The latter naturally means good (or for which one should vote) and the former means bad. Taking this into account, the regrouping of forces on the Georgian political scene into two basic camps has become most evident. The latest political battles are being waged precisely between two camps — Eduard Shevardnadze is in one along with his parliamentary majority and the other is made up of the Communists and the Igor Giorgadze and Jaba Ioseliani tandem that, in order to acquire a comparatively profitable marketable image, has befriended radical and national forces. Each side is trying to inflict as much damage as possible upon the other and the scope of the confrontation is increasing with the passage of time. It is wholly possible that the terrorist act of 29 August is one link in these chain of events. It was no coincidence that, just one hour after the incident took place, Giorgi Baramidze [a leading member of the pro-Shevardnadze Union of Georgia's Citizens], in his television address, named precisely the Reds, the "Mkhedrioni," and the radical nationalists as the forces responsible for what had happened. We assume that the struggle between the two camps will continue and will become more fierce.

In the event of Shevardnadze having been killed, it is possible that events would have developed according to the following scenarios:

1. A military coup behind which would have been Russia and the special services of other countries hostilely disposed toward Georgia. Moreover, that part of the irreconcilable opposition toward Shevardnadze that has weapons, financial resources, and the military infrastructure would have taken a direct part in the coup. Chaos would have reigned in the country.

2. The military coup could have led to a consolidation, if only temporary, of certain large political parties that had been in opposition to one another up to then in order to save the constitutional system in the country and its statehood. At the same time, their attempt to oppose the organizers of the coup by means of peaceful political actions would have been condemned to failure.

3. Shevardnadze's death could have resulted in an exacerbation of the situation in Abkhazia and South Ossetia and in the awakening of regional ethnic separatism in other areas. The separatists would have found it easier to justify their demand to secede from Georgia. The authorities in Tbilisi that would have been politically paralyzed would have been unable to take any action to oppose this.

4. Shevardnadze's death would have compromised Georgia's international image that was already compromised to a certain extent and jeopardized the supply of international aid and, most significantly, the possibility of routing the oil pipeline through Georgian territory.

Mkhedrioni Chief Interrogated at Prosecutor's Office

LD0809160795 Tbilisi IPRINDA in Russian 1320 GMT 8 Sep 95

[FBIS Translated Text] Tbilisi, 8 Sep — An agency correspondent has reported that on the evening of 7 September, Jaba Ioseliani, a deputy of parliament and leader of the Mkhedrioni political organization, who was summoned to the republic's Prosecutor's Office, gave evidence to the employees of this department as witness.

Ioseliani arrived at the Prosecutor's Office following a preliminary telephone conversation with the head of the department. Regarding the dialogue at the Prosecutor's Office, it was held in the presence of First Deputy Prosecutor General Revaz Qipiani. He is heading a special investigatory group which includes the leading employees from the Prosecutor's Office, the Interior Ministry, and the Security Service of Georgia.

According to the press center of the Prosecutor's Office, Ioseliani's interrogation lasted three hours. An agency correspondent notes that no entrusted persons to Ioseliani were present at the interrogation.

Mkhedrioni Deputy Chief Begins Hunger Strike

LD0909170795 Moscow INTERFAX in English 1332 GMT 9 Sep 95

[FBIS Transcribed Text] Tbilisi, Sept 9 (INTERFAX) — Deputy chief of the Georgian rescue workers' corps, Dodo Gugedjashvili, who has been under arrest since September 4 on charges of gangsterism, went on hunger-strike on Friday, the Georgian Interior Ministry has said.

According to the source Gugedjashvili is going to starve herself to death, if she is not allowed to meet with Prosecutor-General Djamlet Babilashvili, the Catholicos of All Georgia Ilya II and journalists.

According to witnesses, as government troops suppressed a rebellion by Zviad Gamsakhurdia's followers in western Georgia in November 1993, Dodo Gugedjashvili with a group of Mkhedrioni members robbed four families in the Senaki and Zugdidi districts, taking away money, personal belongings and cars.

Estonia

Defense Minister Attends Meeting in Greenland

LD1009190195 Tallinn Estonian Television Network in 1545 GMT 10 Sep 95

[FBIS Translated Excerpt] A meeting between the Estonian Defense Ministry delegation and the leaders of the Danish Defense Ministry in Greenland has ended. The Estonian delegation was headed by Estonian Defense Minister Andrus Oovel. A news conference on the results of the meeting was held in Tallinn airport today. [passage omitted]

[Correspondent] When answering a question from "Aktuaalne Kaamera" about the possibility of Western countries changing their minds over NATO expansion if different forces come to power in Russia after parliamentary elections, Oovel said:

[Begin Oovel recording] Our common task is to explain to the West that Russia must not be feared but helped. It must not be feared in the sense that whichever developments take place in Russia, we cannot support the democratization process in Russia by constant concessions. What is needed is a clear and well-planned policy.

We respect our big neighbor, but, together with other Western countries, we are prepared to make our contribution to ensure it will be democratic. [end recording]

World Bank Evaluation of Economy 'High'

WS0809121295 Tallinn ETA in English 1941 GMT 7 Sep 95

["News Release"]

[FBIS Transcribed Text] World Bank (WB) evaluation of Estonia's economy continues to be high, director of WB European and Central Asia 4th department Basil Kavalsky told a press conference on Thursday [7 September].

"I met persons responsible for WB loan projects and saw that with all five projects everything goes according to plans," Kavalsky, who started his visit in Estonia at the beginning of the week, said.

Kavalsky said that WB has lent Estonia a total of 100 million dollars and is further planning credits to agricultural projects and housebuilding projects. Both projects would amount to 20-40 million dollars, of which WB would cover 15-25 million USD.

Basil Kavalsky and the WB delegation accompanying him met Estonian Premier Tiit Vahi, Finance Minister Mart Opmann and visited North East Estonia.

Latvia

President on NATO Expansion, Ties With Russia

LD0809211695 Moscow INTERFAX in English 1846 GMT 8 Sep 95

[FBIS Transcribed Text] RIGA, Sept 8 (INTERFAX) — Latvian President Guntis Ulmanis told INTERFAX in an exclusive interview Friday that differences over the NATO enlargement could not affect Russian-Latvian relations.

Ulmanis said he was optimistic about the prospects for the development of bilateral relations.

"Interest in strengthening good-neighborly relations, mutual understanding and equal cooperation has been observed over the year after the Russian army withdrawal from Latvia (August 31, 1994 — IF note). Noteworthy is the fact that there are no such serious problems in the relations between Latvia and Russia that their resolution would require a bilateral summit," he added.

At the same time, Latvia is interested in intensifying contacts on the governmental level. The invitation to Russian Prime Minister Viktor Chernomyrdin and Foreign Minister Andrey Kozyrev to officially visit Latvia still remains in force, he said.

Commenting on the NATO enlargement, Ulmanis said he treated with understanding statements by Russian politicians who are negative about Central and East European countries' membership in NATO. "Latvia will have to consider Russia's interests and reluctance to lose spheres of interest as it will decide on integration in the North Atlantic alliance," he added. At the same time, he remarked that "the Russian politicians' negative statements on the NATO enlargement are to a certain extent dictated by reasons related to foreign policy and the nearing elections, since some part of the population has not yet lost hope for the revival of the Socialist system."

"As for Latvia, integration in NATO culminated by its admission remains its paramount foreign policy goal. We believe NATO is the main security guarantor in Europe," Ulmanis said.

President Calls for More Privatization

LD0809211995 Moscow INTERFAX in English 1846 GMT 8 Sep 95

[FBIS Transcribed Text] RIGA, Sept 8 (INTERFAX) — Latvian President Guntis Ulmanis believes that the Baltic countries should step up privatization.

He said at a news conference in Riga Friday on his return from Tallinn where he had conferred with his

Lithuanian and Estonian counterparts that in all three countries the gross national product is growing and unemployment is falling. Ulmanis admitted that Latvia and Lithuania lag behind Estonia in privatization.

Ulmanis said that numerous European organizations are just in their criticism of the lack of coordination between border guards and customs services and the national legislation of the three Baltic states. As a result, the officers of these services are corrupt and bullying, he said.

It is time we attended to this problem, Ulmanis said.

Foreign Minister on Border Talks With Moscow

LD1009161595 Moscow INTERFAX in English 1343 GMT 10 Sep 95

[FBIS Transcribed Text] RIGA, Sept 10 (INTERFAX) — Latvia and Russia still disagree on the demarcation of the border, Latvian Foreign Minister Valdis Birkavs told a briefing in Riga Saturday.

Birkavs said he had held brief non-official talks with Russian Foreign Minister Andrey Kozyrev in Moscow Thursday. Birkavs said Russia "accepts to hold talks on the demarcation of the entire Russian-Latvian border as it is now" while "Latvia wants to demarcate the border only on the section where the parties have no territorial claims to each other."

Under the Latvian-Russian peace treaty of 1920, Latvia received a part of the former Pskov Guberniya (the town of Pytalovo and its outskirts). After Latvia joined the USSR in 1944, the USSR government ordered to return the Pytalovo region to Russia.

Birkavs said Riga believed that Latvia and Russia should hold bilateral talks on the state border's demarcation. He stressed that "Latvia will not categorically insist on the return of these territories."

During the talks in Moscow, the Latvian and Russian foreign ministers also discussed the implementation of the bilateral agreements on Russian troop withdrawal from Latvia.

Birkavs said about 4,000 former Russian servicemen, who were discharged after January 28 of 1992 and ought to have left the Baltic republic before August 31 of 1994, were still staying in Latvia.

Birkavs said Latvia had "three times extended the term for the staying of these persons in the republic" and was ready to "be as flexible as possible as far as this problem is concerned." However, he said Latvia hoped that Russia would take measures for implementing all provisions of the agreement on troop withdrawal. Birkavs stressed that Russia did not have a full list of persons who did not have the right to remain in Latvia under the agreement.

Birkavs said that nevertheless his talks with Kozyrev "took place in a friendly and constructive atmosphere, without traditional mutual accusations."

Birkavs said that under a preliminary agreement the Latvian and Russian foreign ministers might hold an official meeting after parliamentary elections in Latvia planned for September 30-October 1.

As it was previously reported, the Latvian Foreign Ministry invited Kozyrev at the beginning of 1995 to make an official visit to Latvia.

Lithuania

President Discusses Results of Baltic Summit

LD0809153195

[FBIS Editorial Report] Vilnius Radio Vilnius Network in Lithuanian at 0800 GMT on 8 September carries live a 33-minute news conference from Vilnius by Lithuanian President Algirdas Brazauskas following the 7 September meeting of the three Baltic presidents in Tallinn. President Brazauskas speaks about the main points raised at the summit and the difficulties the presidents encountered in trying to resolve some of the pressing issues.

According to President Brazauskas, the greatest attention was devoted to cooperation between the three Baltic states. Brazauskas says that although some results were evident, "we must admit that not as much as we perhaps would hope for was in fact achieved," and, he continues: "If we take the sphere of global politics, then our opinions, points of view, and strategic objectives are absolutely identical. Our meeting confirmed once again that everything looks quite satisfactory concerning our relations with the European Union, with NATO, and our relations with the neighboring states.

"When the discussion moves on to very specific issues, however, for example, the problem of unification of custom duties, formation of a unified customs space, setting up the customs union, then we encounter considerable difficulties."

The president said that there was a lack of will and resolution to resolve these problems. Brazauskas says that the issue of border crossing, both between the Baltic states and the Lithuanian-Polish and Estonian-Russian state borders, caused heated discussions. He said that if crossing the Polish-Lithuanian state border takes about six hours, than the whole idea of a Via Baltica linking Finland with Poland becomes unrealistic.

The president says that the Lithuanian parliament failed to ratify the Lithuanian treaty with the European Union because of the unresolved issue of selling land to foreigners.

Speaking about NATO, President Brazauskas says that this issue has always been debated with a great deal of emotion and that "there are more emotions in this that there should be. I should say that today, no one of us is able to pinpoint what actually is the stance of the NATO states on the issue of accepting new members. We have points of view on this voiced by individual politicians, individual officials, some states, individual journalists, and politicians who in general are engaged in political science. However, an official position on this as taken by the United States, the big European states — members of NATO — does not exist."

BNS correspondent Darius Tarasevicius asks the president to comment on the allegation voiced recently by Gediminas Vagnorius, former prime minister and current deputy chairman of the Lithuanian Conservative party, which he quotes: "I cannot believe that the president does not know which of his advisers is the guardian of the holding company and some notorious banks, who in the cabinet is nicknamed as five percent, and which influential members in the Lithuanian Labour Democratic Party parliamentary grouping maintain links with the criminal world." The president replies that he does not know any such persons. Other journalists ask similar questions mainly concerning corruption of government officials.

An unidentified journalist asks whether the president can confirm the report that it was he who advanced a proposal at the summit to support Russia's move to become a member of the European Union and whether this proposal was rejected at the summit. Brazauskas replies that such an issue was raised and that the three presidents arrived at the conclusion that "while the opinions of various states on this are being sorted out, we should for the time being abstain from discussing this issue any further, although all three presidents did not have any essential difference of opinion on this."

President Brazauskas continues that his opinion on the issue remains unchanged: "Russia can be a member of the European Union. Of course, the requirements which were raised to Lithuania and other states which have decided to become members of the European Union should also be met by Russia."

Premier Rejects 'Corruption' Allegations

LD0809221695 Moscow INTERFAX in English 2034 GMT 8 Sep 95

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Vilnius, 8 Sep (INTERFAX) — Lithuanian Prime Minister Adolfas Slezevicius told a news conference in Vilnius Thursday that the ongoing election campaign in the republic had already showed that some opposition leaders were unscrupulous in their political methods.

Slezevicius categorically rejected the accusations of "corruption, misappropriations and exhaustion of the state" put forward by opposition leaders R. Ozolas and G. Vagnorjus.

Commenting on their accusations which aroused a wide debate in the republic, Slezevicius said "some politicians from the opposition do not take trouble choosing methods to achieve their goals."

According to Slezevicius, the government closed the issue when it demanded Ozolas and Vagnorjus either submit concrete evidence, or deny their accusations and apologize.

At the same time, he supposed that the opposition will undertake such actions more often as the next autumn's parliamentary elections will near, despite the fact that "they inflict damage on the prestige of the state."

IF note: A government statement published Wednesday stipulated that "no citizen, for whatever he is, a member of parliament or a party leader, is entitled to ungroundedly accuse other citizens. This is an unbefitting practice of legal nihilism."

However, the chairman of one of Lithuania's influential opposition parties, Fatherland Union, people's deputy and former prime minister, Gediminas Vagnorjus, threatened "to publish concrete charges within the next days, if the Lithuanian president does not initiate the removal of corrupt state officials."

Lithuanian President Algirdas Brazauskas told a news conference on the results of the Baltic summit in Tallinn Friday that the opposition accusations were "shots in the clouds hoping to hit a star."

Brazauskas said he had instructed the Prosecutor General's Office to investigate the facts submitted. At the same time, he emphasized the need to observe the presumption of innocence. "Any charge must be grounded, otherwise its authors will have to apologize or answer to the law," he added.

International Civil Defense Seminar Begins

WS1109143295 Tallinn BNS in English
1000 GMT 11 Sep 95

[FBIS Transcribed Text] Vilnius, Sep 11, BNS — At the civil defense training center in Nemencine, 25 kilometers north-east of Vilnius, this year's largest civil defense training exercises began Monday [11 September].

Under the direction of the catastrophy management administration of the U.S. Department of Defense and the Lithuanian Department of Civil Defense (DCD), the seminar includes participants from 29 countries. Five NATO members — the U.S., Germany, Great Britain, Denmark and Belgium — are sending specialists, as are all of the countries which signed the Partnership for Peace, as well as neutral Austria and Sweden.

"The infamous Ignalina atomic power plant 'helped' Lithuania convene all these specialists on civil defense and receive financial support from the U.S. Department of Defense," DCD director Colonel Gediminas Pulokas told BNS.

At the seminar the foreign observers plan to check the preparedness of the DCD for the event of an accident at the Ignalina atomic power plant, evaluate the cooperation with neighboring Latvia and Belarus, which intend to provide aid to Lithuania in the case of an accident. Taking advantage of the occasion, Lithuanian representatives plan to negotiate on aid from NATO countries to increase security at the plant and to deal with damages in the event of an accident.

During the first three days of the exercises, civil defense specialists from Lithuania, Latvia and Belarus will work together on the coordination of their actions, general strategy planning and preparation of maps.

On Thursday September 14, the exercises' participants will present their results to the seminar and report on implementation. On Friday discussions will be held, and experienced specialists on atomic security from the West will give lectures. On Saturday the seminar's participants will visit the Ignalina plant, where techniques for dealing with atomic accidents will be demonstrated.

Prime minister Adolfas Selzevicius plans to visit the training center in Nemencine on Thursday.

National Bank Increases Gold Reserves

LD0809161695 Moscow ITAR-TASS in English
1404 GMT 8 Sep 95

[FBIS Transcribed Text] VILNIUS, September 8 (Itar-Tass) — Gold and hard currency stock possess by the Bank of Lithuania has been growing and put down at 700 million dollars by now, which guarantees long-term stability of the Lithuanian national currency, the Baltia-Itar-Tass agency reported with reference to a statement made by Lithuanian Prime Minister Adolfas Slezevicius.

According to the Lithuanian premier, the state treasury should be replenished by tightening excise taxes on alcohol beverages and tobacco. As of October 1, Lithuania will introduce new Danish-made packaging which will be mandatory for local manufacturers. Apart from these measures, Lithuania intends to license wholesale trade of oil products.

The Lithuanian government intends to recompense the savings of the population who had deposited their money in banks which went bankrupt and whose activities had been licensed by the Bank of Lithuania. The total amount of such compensations is expected to reach 13 million U.S. dollars.

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